NOTICE OF 21st ANNUAL GENERAL MEETING

STOVE KRAFT LIMITED

Registered office: 81/1, Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area, Kanakapura Taluk, Ramanagara District-562112 Karnataka
CIN: U29301KA1999PLC025387
Email: cs@stovekraft.com Telephone: +91 80 28016222 Website: www.stovekraft.com

NOTICE is hereby given that the 21st (Twenty First) Annual General Meeting of the shareholders of Stove Kraft Limited (the "**Company**") will be held on **Thursday, the September 24,2020 at 11.30 A.M.** at the registered office of the Company at 81/1, Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagara District- 562112, Karnataka, India, to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the audited Financial Statements of the Company for the year Financial ended 31st March, 2020, and Report of Board of Directors and Auditors thereon:**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "**RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2020 and report of Board of Directors and Auditors thereon, including annexure thereto as recommended by the board of directors for adoption by the members of the Company be and are hereby approved and adopted."

   "**RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, Mr. Rajendra Gandhi, Managing Director, Mr. Rajiv Nitin Mehta Chief Executive Officer and Whole time Director and Mr. Shashidhar S K Chief Financial Officer, Company Secretary and Compliance officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including but not limited to filing of necessary forms with the Registrar of Companies, Bangalore and to comply with all other requirements in this regard under Companies Act, 2013 and rules and regulations made there under and such other law as may be applicable."

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST

2. **To appoint Ms. Neha Gandhi, who retires by rotation and being eligible, offers herself for re-appointment as a Director.**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Neha Gandhi, DIN (07623685)who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the company, liable to retire by rotation."

SPECIAL BUSINESS:

3. **To consider and approve the re-appointment of Mr. Rajendra Gandhi as Managing Director for 5 years with effect from March 17, 2020**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"**RESOLVED THAT** in accordance with the provisions of sections 196,197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act,2013 and the Companies(Appointment and Remuneration of Managerial personnel) Rules,2014 including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the members be and is hereby accorded to the re-appoint and terms of remuneration of Mr. Rajendra Gandhi (DIN:01646143) as Managing Director of the Company, for a period of 5 years. i.e with effect from March 17th 2020, liable to retire by rotation, upon the terms and conditions as set out in the statement annexed to the Notice convening this meeting including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limit of Rs 4 Crore as approved by the Shareholders in the Extra Ordinary General Meeting held on 4th December,2019 pursuant to the Schedule V of the Companies Act,2013 as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

"**RESOLVED FURTHER THAT** the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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4. **To ratify the remuneration of Cost Auditor's for the FY 2020-2021.**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT , in accordance with the provisions of Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, the remuneration of Messrs. G S & Associates, the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records maintained in respect of applicable products of the Company, for the financial year 2020-21 not exceeding Rs 1,00,000/-plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified."

By the order of the Board of Directors

Shashidhar SK
CFO and Company Secretary

Place: Bangalore
Date: 27/07/2020

Stove Kraft Limited
#81/1 Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area, Kanakapura Taluk, Ramanagara District, Bengaluru, India- 562 112
+91 80 28016222 | +91 80 2801 6209 | info@stovekraft.com

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The instrument appointing proxy should however be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting

3. Information regarding appointment/re-appointment of Directors and explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of special businesses to be transacted are annexed hereto.

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ANNEXURE TO THE NOTICE OF 21st ANNUAL GENERAL MEETING FOR THE FY 2019-20

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE 21st ANNUAL GENERAL MEETING OF THE COMPANY

TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MR. RAJENDRA GANDHI AS MANAGING DIRECTOR FOR 5 YEARS WITH EFFECT FROM MARCH 17, 2020

Mr. Rajendra Gandhi was appointed as the Managing Director of the Company for a period of 5 (five) years effective 17th March-2015 till 16th March-2020, liable to retire by rotation, and the said appointment was approved by the Shareholders at the General Meeting held on 25th July,2015

Based on the recommendation of the Nomination and Remuneration Committee, the Board on 27th July,2020, re-appointed Mr. Rajendra Gandhi as the Managing Director of the Company, liable to retire by rotation, for a further period of 5 (five) years effective 16th March-2020 through 15th March-2025, subject to approval of the Shareholders.

The Board, while re-appointing Mr. Rajendra Gandhi of the Company, considered his background, experience and contributions to the Company

Mr. Rajendra Gandhi received remuneration of Rs 1,03,64,160 (Rupees One Crore Three Lakh Sixty-Four Thousand One Hundred Sixty) for FY 2019- 20, and on re-appointment his remuneration continues to remain the same.

The terms and conditions relating to the re-appointment and terms of remuneration Mr. Rajendra Gandhi MD are as follows:

(1) **Period:** For a period of 5 years i.e., from 16th March-2020 through 15th March-2025

(2) **Nature of Duties:** The MD shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 3 is annexed hereto

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ANNEXURE- 1:

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AND SEEKING FIXATION OF REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name	Mr. Rajendra Gandhi
Date of Birth (Age)	December 27, 1967 (52 years)
Date of First Appointment on the Board	28/06/1999
Qualifications	SSLC
Expertise in specific functional areas	A first generation entrepreneur with extensive experience in manufacturing, marketing and distribution, especially in Kitchen and Home Appliance Sector
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/Limited Liability Partnership.	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company as on 31st March,2020	18,184,619 shares (in numbers) 73.5%(in %)
Inter-se relationships between Other Directors /Key Managerial Person	Father of Ms. Neha Gandhi, Executive Director.
No. of Board Meetings attended during	6 out of 6

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ANNEXURE- 2:

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:

I. General information:	
(1) Nature of industry	Manufacturer of kitchen and home appliances
(2) Date or expected date of commencement of commercial production	28th June,1999
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4) Financial performance based on given indicators	Consolidated Financial performance based on given indicators:
(5) Foreign investments or collaborations, if any.	Stove Kraft Limited has no foreign collaboration, there are only Foreign investments as stated below: SCI Growth Investment –II and Sequoia Capital India Growth Investment Holdings-I contribute 20.07% and 5.30% respectively to the Equity Share Capital of the Company.
II. Information about the appointee:	
Background details	Pioneering Entrepreneur and Promoter with extensive experience in manufacturing sector especially in Kitchen and Cookware industry

Particulars	Year end March 31,2020 Rs in Million	Year end March 31,2019 Rs in Million
Income from Operations and Other Income	6729.14	6425.98
Operating Profit (Before depreciation and tax)	159.45	135.64
Profit/(Loss) before tax	35.35	11.23
Profit/(Loss) after tax	31.71	6.35

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Past remuneration	1,03,64,160 (Rupees One Crore Three Lakh Sixty-Four Thousand One Hundred Sixty) per annum. The breakup of the CTC on monthly base has been mentioned below. (a) Salary –Rs.3,64,591 /- per month (b) House Rent Allowance 1,45,836 /- per month (c) Other Allowances-Rs.2,47,589/- per month (d) Bonus Rs. 30,370/- payable annually (e) Other Statutory Benefits Rs. 75,294/- per month (f) Medical Reimbursement i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years. ii) Mediclaim insurance as per rules of the Company. (g) Leave Travel Concession for self & family once in a year as per the rules of the Company (h) Personal Accident Insurance Premium not exceeding `25,000 per annum (i) Club Fees subject to a maximum of two clubs. This will not include admission and life membership fee. (j) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time. (k) Provision of Company's car with driver. (l) Provision of free telephone at residence. Encashment of leave as per the rules of the Company
Recognition or awards	In the capacity of MD of Stove Kraft the 'Gold Award' by Quality Circle Forum of India (Bengaluru chapter) in the years 2013 and 2014
Job profile and his suitability	Promoter and Managing Director, with extensive experience in the manufacturing and trading of kitchen and home appliances
Remuneration proposed	The remuneration remains same for the FY 2020-21, which may be amended, subject to the recommendation of

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	Nomination and Remuneration Committee of Directors and subject to the approval of shareholders, where applicable
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration of Mr. Rajendra Gandhi is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Father of Ms. Neha Gandhi, Executive Director.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/Limited Liability Partnership.	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Shareholding in the Company as on 31st March,2020	18,184,619 shares (in numbers) 73.5%(in %)
III. Other information	
Reasons for inadequacy of profits	The Company Changed its business strategy in FY2014 and decided to focus on brand business by completely doing away with tender based business and progressively reduce its oil company business. As a consequence of change in strategy, the Company, during the period FY15-FY18, adopted an aggressive 'go to market' pricing strategy for its branded products with a Pan India distribution strategy and fully revamped its organizational structure, to cater to this strategy. In view of increased expenses, by way of payroll, marketing and advertising and selling expenses, as also the fact that the company had not reached breakeven revenues in the brand based business, there was inadequate operating margins and inadequacy of profits
Steps Taken or proposed to be taken for improvement	As a result of change in business strategy from governmental business to brand based business, the Company's operating margins have improved from 22% in FY14 to 26% now. The Company is continuously reducing its direct and indirect costs by better sourcing, manufacturing automation,

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	manpower rationalization and recalibration of its banking facilities for lower interest and financing costs. The Company is also continuously indigenizing many products, which were earlier being imported, which has resulted in better margins. The company is also adding to its product portfolio and expanding its presence Pan India and strengthening its E commerce and Modern Retail Segments
Expected increase in productivity and profits in measurable terms	The Company is recording consistent improvement in operating margins and EBITDA, which increased from Rs 159.45 FY2018 to Rs 314.82 in FY2019 to Rs 368.46 in FY2020.
IV. Disclosures:	
1. Remuneration package of the managerial person:	Fully described in the explanatory statement as stated above.
2 (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors; (ii) details of fixed component. and performance linked incentives along with the performance criteria; (iii) service contracts, notice period, severance fees; and (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	The requisite details of remuneration etc. of the Directors are forming part of the Annual Report of FY 2019-2020 of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in the aforesaid Resolution except Mr. Rajendra Gandhi, himself and his daughter Ms. Neha Gandhi our Executive Director.

The members are hereby requested to consider and approve the re-appointment of Mr. Rajendra Gandhi our promoter cum Managing Director for a tenure of 5 years.

STOVE KRAFT LTD. Bangalore Pin-562112 RAMANAGAR DIST

Item 4: To ratify the remuneration of Cost Auditor's for the FY 2020-21

The Board of Directors of the Company ('the Board') at the meeting held on 27th July,2020 approved the appointment and remuneration of M/s. ***G S & Associates***, Cost Accountant, to conduct audit of Cost Records maintained by the Company for the financial year 2020-21. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company.

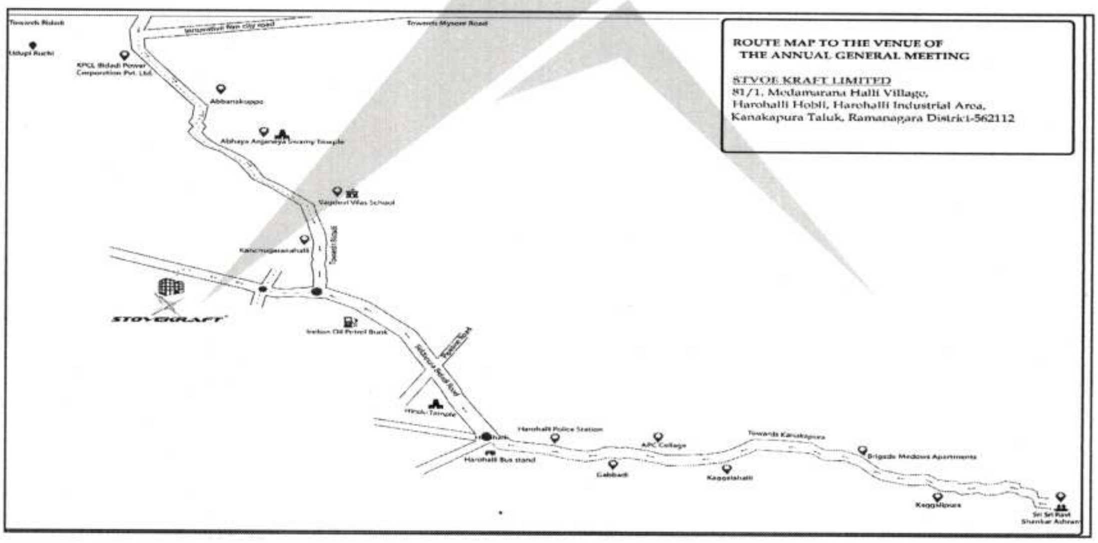
None of the Directors and Key Managerial Personnel of the Company, or their relatives, are interested in the aforesaid resolution.

The Board recommends this Resolution for your approval.

By the order of the Board of the Company

Shashidhar S K
CFO and Company Secretary

Place: Bangalore
Date: 27th July,2020



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STOVE KRAFT LIMITED

Reg Office 81/1, Medamaranahalli Village, Harohalli Hobli,
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CIN: U29301KA1999PLC025387

Website: www.stovekraft.com Email:cs@stovekraft.com

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FORM NO. MGT - 11

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and Rules19 (3) of the Companies (Management and Administrator) Rules, 2014.

Name & Address of the member(s): ....

Folio No./Client ID ....

DP ID ....

E-mail ID: ....

I/We being the member(s) holding......................shares of the above named Company, hereby appoint.

1. Name:....................
   Address:....................
   Email ID:....................Signature:....................or failing him/her.
2. Name:....................
   Address:....................
   Email ID:....................Signature:....................or failing him/her.
3. Name:....................
   Address:....................
   Email ID:....................Signature:....................or failing him/her

as my/ our proxy to attend and vote (on a poll for me/us and on my /our behalf at the 21ST Annual General Meeting of the Company to be held on Thursday, 24t September,2020 at 11.30 A.M IST at the registered office of the Company at 81/1 Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagara Dist. Bangalore-562112 and at any adjournment thereof in respect of such resolutions as are indicated on reverse.

....

STOVE KRAFT LIMITED

ATTENDANCE SLIP

Reg Office 81/1, Medamaranahalli Village, Harohalli Hobli,
Kanakapura Taluk, Ramanagara Dist Bangalore Karnataka 562112 CIN: U29301KA1999PLC025387

Website: www.stovekraft.com Email:cs@stovekraft.com

+91 80 28016222 +91 80 2801 6209

Attendance by
Please ✓ the appropriate box

☐ Member

☐ Proxy

Folio No. /Demat ID:....................

No. of shares held :....................

I hereby record my presence at 21st Annual General Meeting being held on, 24th September,2020 at 11.30 A.M IST at the Registered Office of the Company 81/1, Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk Ramanagara Dist. Bangalore Karnataka 562112.

Signature of Member/Proxy*

*Strike out which ever is not applicable

Resolution Number	RESOLUTIONS	Vote (Optional See note 2) (Please mention No of shares)		
		For	Against	Abstain
	ORDINARY BUSINESS			
1.	To consider and adopt the audited Financial Statements of the Company for the year Financial ended 31st March, 2020, and Report of Board of Directors and Auditors thereon			
2.	To appoint Ms. Neha Gandhi, who retires by rotation and being eligible, offers herself for re-appointment as a Director			
	SPECIAL BUSINESS			
3.	To consider and approve the re-appointment of Mr. Rajendra Gandhi as Managing Director for 5 years with effect from March 17, 2020.			
4.	To ratify the remuneration of Cost Auditor's for the FY 2020-2021..			

Signed this ……………………………day of ………………………2020.

Affix ₹1/- Revenue Stamp

Signature of the member :………………………………………………………………………….

Signature of Proxy holder(s) :………………………………………………………………………….

Note:

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference, if you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ANNUAL REPORT 2020

STOVE KRAFT LIMITED

Registered and Corporate Office: 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, 562 112, Karnataka, India
Tel: +91 80 2801 6222; **Fax**: +91 80 2801 6209
Contact Person: Shashidhar SK, Chief Financial Officer, Company Secretary and Compliance Officer; **E-mail**: cs@stovekraft.com; **Website**: www.stovekraft.com
Corporate Identity Number: U29301KA1999PLC025387

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

Mr. Lakshmikant Gupta, Chairman
Mr. Bharat Singh
Ms. Neha Gandhi
Mr. Rajendra Gandhi
Mr. Rajiv Nitin Mehta
Ms. Shubha Rao Mayya

Audit Committee:

Ms. Shubha Rao Mayya (Chairperson)
Mr. Lakshmikant Gupta
Mr. Rajendra Gandhi

Nomination & Remuneration Committee:

Mr. Lakshmikant Gupta (Chairman)
Mr. Bharat Singh
Ms. Shubha Rao Mayya

Stakeholders Relationship Committee

Mr. Lakshmikant Gupta (Chairman)
Ms. Shubha Rao Mayya
Mr. Rajendra Gandhi

CSR Committee

Mr. Rajendra Gandhi (Chairman)
Ms. Shubha Rao Mayya
Mr. Lakshmikant Gupta

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Shashidhar SK

REGISTERED OFFICE

81/1 Medamaranahalli, Harohalli
Hobli, Harohalli Industrial Area, ,
Ramanagara district, Bangalore 562112

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants

PLANTS

- Unit 1, Harohalli industrial Area, Bangalore
- Unit 2 Harohalli industrial Area, Bangalore
- Baddi, Himachal Pradesh

BANKERS

- Standard Chartered Bank
- HDFC Bank
- IDFC First Bank Limited
- RBL Bank

BOARD'S REPORT

TO THE MEMBERS OF STOVEKRAFT LIMITED

Your Directors present their 21st Annual Report, together with the audited financial statements of the Company for the year ended 31st March, 2020.

RESULTS OF OUR OPERATIONS AND THE STATE OF AFFAIRS

The Company's financial performance for the financial year ended 31st March, 2020 is given below

Rs.in Million

Particulars	**For the year ended 31.03.2020 (consolidated)**	**For the year ended 31.03.2019 (consolidated)**
Revenue from Operations	6,698.61	6,409.38
Other non-operating Income	30.53	16..60
Total Income	6,729.14	6,425.98
EBITDA	**368.46**	**314.82**
Interest & Finance Expenses	209.01	179.18
Profit/(Loss) before Depreciation	159.45	135.64
Depreciation	124.10	124.41
Profit/(Loss) Before Taxes for the year	**35.35**	11.23
Tax Expense	3.64	4.88
Profit/(Loss) for the Year	**31.71**	**6.35**
Other Comprehensive Income/Reclassifications	(2.56)	1.69
Total Comprehensive Profit/(Loss) for the year	29.15	8.04
Profit/(Loss) carried to Balance Sheet	(846.71)	(871.01)

REVIEW OF OPERATIONS

During the year under review, your Company registered a net sales revenue of Rs 6698.61 million as against Rs.6409.38 million in the previous year FY19. This represents a growth of 4.51 % over the previous financial year.

The Company reported Earnings Before Interest Tax and Depreciation (EBITDA) of **Rs. 368.46** million, as against Rs. 314.82 million in the previous year. The Company's Profit After Tax is at Rs 31.71 Million as against Rs. 6.35 Million in the previous year.

The Company's revenue for the month of March, 2020 was adversely impacted due lockdown imposed as a result of global pandemic Covid 19.

However, during the year under review, the Company strengthened its position in the cookware, cooktop and appliance industry, expanding its range of offerings to its customers as well as broadening its channels of distribution. The Company continued its quest for indigenization of products and reduce its dependence on imports from China. During the year under review, the Company established manufacturing lines for LED bulbs and vegetable choppers.

The Company is present in all formats of distribution, with a pan India network. During the year, the Company held its position in the General Trade, which constituted 49% of total revenue. The Company recorded a healthy and consistent growth of 31% in its Ecommerce business, growing from Rs.132 crores in FY19 to Rs.173 crores in FY20. Business from Modern Retail increased by 23%, from Rs.67 crores to Rs.83 crores. The Company's direct exports to OEMs and own branded products was at Rs.52 crores as against Rs.56 crores in FY19, a marginal drop, mainly due to lockdown. In line with its strategy, the Company's dependence on public sector oil company business, further reduced to Rs.20 crores in in FY20 from Rs.69 crores in FY19. With this strategic alignment, today the Company' brand business today constitutes more than 92% of total revenue

The Company's is aggressively focusing on margin improvement through various means, such as work place automation, procurement efficiencies, product indegization and BOM optimization. As a result, the Company's operating margins improved by 1.90% from 24.70% in FY19 to 26.60% in FY20.

FUTURE OUTLOOK

The outlook for the year 2020-21 is currently unpredictable and ambiguous, due to the uncertainties associated with Covid19. However, going by the trend in the first quarter of 2021, the Company is expecting a better year than what was originally estimated, both with respect to revenue and profitability. Despite Covid19, there is an upsurge in demand for kitchen and home appliances The company is leaving no-stone unturned in order convert this crisis into an opportunity and has taken pro-active and aggressive measures in terms of cost reduction and rationalization, without compromising on its strategy to introduce new product variants, expand its distribution presence, drive indigenization and margin improvement.

The Company is hopeful of a positive year and improved financials in FY21

DIVIDENDS AND TRANSFER TO RESERVES

No dividends are recommended for the year and no amount is proposed to be transferred to reserves

DRAFT RED HERRING PROSPECTUS (DRHP)

The Company intends to undertake an initial public offering of its equity shares of face value of Rs. 10 each/-, which includes, a fresh issue of Equity Shares and an offer for sale of Equity Shares by the promoters and Primary Investor, namely, Sequoia Capital India Growth Investment Holding I and SCI Growth Investments II.

The Company filed a Draft Red Herring Prospectus with SEBI on 31st January,2020, for its proposed Initial Public Offering (IPO), which was registered by SEBI on 23rd January'2019. The Company has time till 29th April 2021 to conclude the IPO.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments, if any, which could affect the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate and the Date of the Board's Report.

GENERAL INFORMATION

OVERVIEW OF THE INDUSTRY AND IMPORTANT CHANGES IN THE INDUSTRY DURING FY 2019-20

India kitchen and home appliances market continues to grow at a healthy pace as a result of young population living in metro cities, growing urbanization, with growing disposable income, ever-growing middle-class population and growth of nuclear families, India presents vast opportunities for a multitude of kitchen appliances and the market is forecast to advance with a single-digit value CAGR of 8.6% during 2019-25. Most categories recorded value growth, strongly supported by improved sales infrastructure in the form of modern format specialist stores & e-commerce players. This was aided by factors like more customization in kitchen appliances coupled with new launches at wide price points targeting different income groups, growing energy and performance efficiency of kitchen appliances and other features like Child Lock, Digital Display, elegant look, easy to clean and automation of such kitchen appliances.

EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

The Indian Economy as well as the Global Economy is facing a major challenge, as a result of uncertainties associated with Covid19, followed by long periods of lockdown. As per International Agencies, the Indian Economy is forecasted to contract by -4.50% in 2021, with first quarter GDP numbers expected to contract by as much as 20%. A significant global recession a certainty for world's major economies.

The nationwide lockdown has disrupted the economic activity, like never before, leading to job losses, demand contraction and supply chain disruption. The ultimate outcomes, however, remains uncertain. The year 2019-20 turned out to be one of the most challenging years for the Indian economy with GDP growth at an 11-year low (estimated at 4.2% Vs. 6.1% in 2018-19)

Going forward, there is a great deal of uncertainty with respect to the timing and shape of the recovery as the Indian economy is adversely impacted and disrupted by health crises, job losses, labour force displacement, lower productivity and supply chain disruption. As per some analysts, the pandemic has put as much as 40% of Indian household expenditure and consumption risk. The economic impact of the Pandemic and Lockdown is likely to be severe, with respect to certain industries, such as, Aviation, Travel and Infrastructure. However, FMCG and Kitchen and Home Appliance market is expected to weather the storm, with much less severity of impact, as compared to other sectors

SHARE CAPITAL

The Share Capital of the Company as on 31.03.2020 is Rs. 400,000,050 comprising of 3,99,99,995(Three crore Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred Ninety Five) Equity Shares of Rs 10 (Ten) and 10 (ten) class A equity shares of Rs 10 (Ten) each of the Company" (the "Class A Equity Shares").

The Issued, Subscribed and Paid up Equity Share Capital of the Company as on 31st March 2020 is Rs. 247,167,370 /-consisting of 247,167,37 Equity shares of Rs. 10/- each and 10 Class A Equity Shares of Rs.10/- each.

CONVERTIBLE SECURTIES

Your Company as on 31st March,2020 have an outstanding 6,089,554 number of Compulsory Convertible Debentures, (CCD) of Rs 10/- each, consist of 26,10,898 number of CCDs, 1197770 number series A CCDs and 22,80,886 number of series B CCDs

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

Your company as on 31st March, 2020 have an outstanding 10 number of Class A Equity Shares with Differential Voting Rights of Rs 10/- each having 43.46% of voting rights in a General meeting.

EMPLOYEES STOCK OPTION SCHEME 2018

Your Company with the objective of introducing a long term incentive tool to attract, motivate and retain talent and reward loyalty, has formulated 'Stove Kraft Employee Stock Option Plan 2018' ("ESOP 2018") and has granted 8,13,000 stock options to the eligible employees of Stove Kraft Limited on the approval of Nomination and remuneration Committee. The Scheme has been implemented in accordance with the applicable SEBI Guidelines and approval by Members at the Annual General Meeting held in the year 2018-19. There is no material change in the scheme, the same is in compliance with the applicable regulations.

The options grants are not yet exercised.

The necessary disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) with regard to Employee Stock Option Scheme of the Company is available at Company's website i.e. www.stovekraft.com

MANAGEMENT

DIRECTORS

During the year, Mr. Rajiv Nitin Mehta, who was serving on Board as Independent Director from May 2018, was appointed as Chief Executive Officer cum Whole Time Director in the Board meeting held on 24th September,2019 in accordance with the approval of shareholders in the general meeting held on 4th December, 2019. By the virtue of re-designation of Mr. Rajiv Nitin Mehta, the Composition of Board committees were reconstituted in the same meeting. Mr. Lakshmikant Gupta, Independent Director was appointed as permanent Chairman, in line with SEBI regulations.

Ms. Neha Gandhi continue to be Director on the Board. She retires at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

KEY MANAGERIAL PERSONNEL

The tenure of Mr. Rajendra Gandhi as Managing Director of the Company concluded on 16th March,2020.

He was re-appointed by the Board at its Meeting held on 27th July,2020 as the Managing Director of the Company for another term of five (5) years, subject to the approval of the shareholders in the ensuing AGM of the Company. His brief profile as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) is contained in the accompanying Notice convening the forthcoming AGM of your Company. Appropriate resolution seeking your approval to his re-appointment is included in the Notice.

NUMBER OF BOARD MEETINGS

During the Financial Year 2019-20, the Board met Six (6) times. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

The details of Board and Committee Meetings are attached and forms part of this report as **Annexure 1.**

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The provisions of section 134 (p) of the Companies Act, 2013, with respect to Annual evaluation of the Board, its Committees and Individual Directors are not applicable to the Company, as the paid up share capital of the Company is less than Rs.25 crores as on 31st March,2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that

(a) In the preparation of the annual accounts for the financial year ended 31st March, 2020 the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2020 and of the profit/loss of the company for that period;

(c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) That they have prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has adequate internal controls and systems in place to ensure that all its assets are well protected. The Audit Committee reviews such controls periodically for continuous improvements. The Internal Auditors carry out a focused internal audit program on the adequacy of appropriate systems and controls, in consultation with the Audit Committee. In accordance with Companies Act, 2013, The Company has implemented Internal Controls on Financial Reporting (ICFR) by defining and deploying Risk Control Matrix (RCMs) pertaining to various business cycles. SKL regularly tests the effectiveness of ICFR. The ICFR is audited by the Auditors during the process of statutory audit

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board’s report.

DEPOSITS

The Company has not accepted any deposits during the financial year ended March 31, 2020, under the purview of Section 74 of the Companies Act, 2013,

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure 2** to the Board’s report

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a CSR Committee with Mr. Rajendra Gandhi, Ms. Shubha Rao Mayya and Mr. Lakshmikant Gupta as members of the Committee

In accordance with provisions of section 135 (5) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Rules) 2014, based on the average net profits of the Company, during the immediately preceding 3 financial years, the Company is not obligated to spend any amount on CSR

The Annual Report on CSR in accordance with Rule 8 of the aforesaid Rules is as per **Annexure 1**

The CSR policy of the Company is displayed on the Company's website www.stovekraft.com in accordance with Rule 9 of the aforesaid Rules.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as **Annexure 5.**

RISK MANAGEMENT

The Company' Risk Management strategy is primarily driven by its internal audit function and internal business reviews and the risks as evaluated in Audit Committee Meetings. The Company, going forward will formulate a risk management policy and building a risk register, identifying the key risks the Company is exposed to. Suitable mitigation measures are formulated implemented for various risks that are identified.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of business ethics, and provides for adequate safeguards against victimization of the Director (s) and the Employee(s), who avail of the mechanism. No Director/Employee has been denied access to the Chairman of the Audit Committee

SIGNIFICANT AND MATERIAL ORDERS

The Company intends to file an appeal before the Supreme Court of India with respect to the order passed by the Division bench of the High Court, upholding the legality and correctness of the minimum wages notification dated December 30, 2017 issued by the Secretary, Labour Department, fixing minimum wages for the brass, copper, aluminium and steel utensils manufacturing industries.

AUDITORS AND AUDITORS REPORT

Deloitte Haskins and Sells continue to be the Statutory Auditors of the Company. The Auditor's Report for the financial year 2019-20, does not contain any qualifications, reservations or adverse remarks

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

A Copy of the annual return shall be adopted shall be placed on the website of the Company, if any and the web-link of such annual return shall be disclosed in the report

OTHER DISCLOSURES

The consolidated financial statement is also being presented in addition the standalone financial statement of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has put in place a Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint on sexual harassment during the year 2019-20.

REMUNERATION POLICY

The remuneration policy of the Company is based on the factors laid down in section 178 (4) of the Companies Act, 2013, which are as under:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of the remuneration to performance is clear and meets appropriate performance benchmarks, and
- Remuneration to key managerial personnel and senior management strikes a balance between fixed and incentive pay, reflecting short term and long term performance objectives, appropriate to the working of the Company and its goals

The principles governing the remuneration policy are governed by market competitiveness, company performance in both revenue and profitability, individual performance, consistent with industry best practice, and aligned to any regulatory requirements. In accordance with the policy, KMPs/employees are paid salary, benefits, allowances, perquisites, annual increments and performance linked incentives, which are driven by the outcome of performance appraisal process

As determined by the Board, the Non-Executive Independent Directors, are paid sitting fee of Rs.1,00,000 (Rupees One Lakh Only), for attending each meeting of the Board and Rs.50,000 (Rupees Fifty Thousand Only) for attending each meeting of the Committees of the Board. Apart from the sitting fee, no other remuneration, by way of commission or otherwise is payable to any of the Directors.

The Nomination and Remuneration Committee (NRC) identifies persons who are qualified to become Directors and who may be appointed in senior management, in accordance with identified criteria, recommends to the Board their appointment or removal and carries out annual evaluation of Directors.

The NRC recommends nomination and appointment of Directors based on

- Qualifications- experience, knowledge, age and gender to ensure that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes- Apart from the duties as prescribed in the Companies Act, 2013, the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment and are expected to abide by the respective code of conduct applicable to them
- Independence-A director will be considered independent if he/she meets the criteria laid down in section 149(6) of the Companies Act, 2013 and Tata Group internal guidelines

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading with the Company Secretary as Compliance Officer.

The Code of Conduct is applicable to all Directors and identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in form MGT-9 for the financial year 2019-20 has been enclosed with this report attached as **Annexure 3** and copy of the same is uploaded on Company's website: www.stovekraft.com.

PARTICULARS OF EMPLOYEES

The disclosure with respect to remuneration as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and forms part of this Report as **Annexure 4.**

AUDITORS AND AUDITORS REPORT

AUDIT REPORTS

• The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remarks. The Report is enclosed with the financial statements in this Annual Report.
• The Secretarial Auditors' Report for fiscal 2020 does contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure 6** to the board's report in this annual report.

STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number **008072S**)("Deloitte") was appointed as the statutory auditors of the Company to hold office for a period of two consecutive years from the conclusion of the 20th AGM of the Company held on 25th July,2019 , till the conclusion of the 22nd AGM to be held in the year 2021.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BMP & Co LLP, Bangalore Practicing Company Secretaries to undertake Secretarial Audit of the Company for the Financial year 2019-20

The Secretarial Audit Report is annexed herewith and forms part of this Report as **Annexure-6.**

On observations, secretarial auditors have provided the Secretarial Auditors Report in MR-3.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 have been complied by the Company.

M/s G S Associates was appointed as Cost Auditors for audit of the Cost Accounting records of the Company for the year ended 31st March, 2020

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company www.stovekraft.com.

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record, their appreciation for the support from its investors, Sequoia Capital India Growth and Investment Holdings and SCI Growth Investments. The Board is also thankful to its Customers, Vendors, Government Agencies, Bankers, for their support and co-operation. The Directors also wish to place on record their appreciation of the efforts put in by all the employees of the Company during the year

On behalf of the Board of Directors

Rajendra Gandhi	**Rajiv Nitin Mehta**
Managing Director	**CEO and Whole Time Director**
(DIN:1646143)	**(DIN:0697109)**

Date

Place: Bangalore

ANNEXURE I TO BOARD'S REPORT

(A) BOARD MEETING AND COMMITTEE MEETING DATES AND ATTENDANCE

The attendance of each Director at the meetings of Board and Committees during the year ended 31 March 2020 are as follows:

Attendance of the Board meetings FY 2019-20							
Board of Directors	June 19,2019	Sep 4,2019	Sep 24,2019	Dec 23,2019	Jan 23,2020	Jan 31,2020	Attendance
Mr. Lakshmikant Gupta	👤	×	👤	×	👤	×	3(6)
Mr. Bharat Singh	👤	×	👤	×	×	×	2(6)
Ms. Neha Gandhi	👤	👤	👤	👤	👤	×	5(6)
Mr. Rajendra Gandhi	👤	👤	👤	👤	👤	👤	6(6)
Mr. Rajiv Nitin Mehta	👤	👤	👤	👤	👤	👤	6(6)
Ms. Shubha Rao Mayya	👤	×	👤	👤	👤	👤	5(6)
Presence of Quorum	yes	yes	yes	yes	yes	yes	----

a) Mr. Lakshmikant Gupta was appointed as a permanent Chairman of the Board effective from 23rd December,2019.

b) Mr. Rajiv Nitin Mehta was appointed as Chief Executive Officer and Whole Time Director effective from 3rd September,2019, ceased to be Independent Director from 3rd September,2019

(B) AUDIT COMMITTEE MEETING DATES AND ATTENDANCE

The attendance of each members of Audit Committee meeting during the year ended 31 March 2020 are as follows:

Attendance of the Audit Committee meetings FY 2019-20					
Members	June 19,2019	Sep 24,2019	Dec 23,2019	Jan 23,2020	Attendance
Ms. Shubha Rao Mayya	👤	👤	👤	👤	4(4)
Mr. Lakshmikant Gupta	👤	👤	×	👤	3(4)
Mr. Rajendra Gandhi	👤	👤	👤	👤	4(4)
Mr. Rajiv Nitin Mehta(*)	👤	NA			1(1)
Presence of Quorum	yes	yes	yes	yes	-----

Notes:

1. *Mr. Rajiv Nitin Mehta ceased to be the member and Chairman of Audit Committee w.e.f 3rd September,2019

C) NOMINATION AND REMUNERATION COMMITTEE MEETING DATES AND ATTENDANCE

The attendance of each member of the **Nomination and Remuneration** Committee meetings during the year ended 31 March 2020 are as follows:

Attendance of the Committee meetings FY 2019-20			
Members of the Committee	June 19,2019	Sep 24,2019	Attendance
Mr. Rajiv Nitin Mehta[a]	🚹	**N A**	1(1)
Mr. Bharat Singh[b]	**N A**	🚹	1(1)
Mr. Lakshmikant Gupta[c]	🚹	🚹	2(2)
Ms. Shubha Rao Mayya	🚹	🚹	2(2)

Notes:

a. Mr. Rajiv Nitin Mehta ceased to be member and Chairman of Nomination and Remuneration Committee w.e.f 3rd September,2019

b. Mr. Bharat Singh was appointed as a member of the Nomination and Remuneration Committee w.e.f 3rd September,2019.

c. Mr. Lakshmikant Gupta was appointed as Chairman of the Nomination and Remuneration Committee w.e.f 3rd September,2019

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

No corporate social responsibility committee meeting was held for the FY 2019-20.

In accordance with provisions of section 135 (5) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Rules) 2014, based on the average net profits of the Company, during the immediately preceding 3 financial years, the Company is not required to spend any amount on CSR

ANNEXURE II TO BOARD'S REPORT

Form No. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis.**

There were no transactions during the year, which were not at arm's length basis

2. **Details of material contracts, arrangement, or transactions at arm's length basis:**

Sr. No	Particulars	Details	
1	Name(s) of the related party and nature of relationship	**Shinag Allied Enterprises Private Limited**	**Sunita Rajendra Gandhi**
		Spouse of Managing Directors' Brother is the Director of the Company	Spouse of Managing Director
2	Nature of contracts/ arrangements/transactions	Scale of scarp	Rent Agreement
3	Duration of the contracts / arrangements/transactions	01/04/2019 to 31/03/2020	4 Years 01/04/2018 to 31/03/2022
4	Salient terms of the contracts, arrangements, or transaction including the value, if any.	As per the Purchase order Rs 45,301/- (FY 2019-20)	As per contract Rs.60,000 P.M
5	Date(s) of Approval by the Board	11/05/2018	11/05/2018
6	Amount paid as advance, if any	Nil	Nil

ANNEXURE III TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	U29301KA1999PLC025387
2.	**Registration Date**	28th June,1999
3.	**Name of the Company**	Stove Kraft Limited
4.	**Category/Sub-category of the Company**	Company Limited by Shares/ Indian Non-Government Company
5.	**Address of the Registered office & contact details**	81/1, Medamarana Halli Village, Harohalli Hobli, Kanakpura Taluk , Ramanagar District-562112, Karnataka Tel:**+91 8028016222** **Email: cs@stovekraft.com**
6.	**Whether listed company**	Unlisted
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	KFin Technologies Private Limited Selenium, Tower B Plot No. 31-32, Financial District Nanakramguda, Srilingampally Hyderabad Rengareddi 500 032 Telangana, India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: stovekraft.ipo@kfintech.com Investor grievance e-mail: einward.ris.ipo@kfintech.com Website: www.kfintech.com Contact Person: M. Murali Krishna

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pressure Cooker	28997	23.5%
2	LPG Stoves	29302	15.4%
3	Non Stick Cookwares	28997	15.5%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES

Sr. No.	Name, Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Pigeon Appliances Private Limited	U31909KA2003PTC031896	Associate	37.5%	Sect 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	18443919	0	18443919	74.62	18443919	0	18443919	74.62	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks /FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	18443919	0	18443919	74.62	18443919	0	18443919	74.62	0
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	6272815	0	6272815	25.37	6272815	0	6272815	25.37	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	6272815	0	6272815	25.37	6272815	**0**	6272815	25.37	0

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	3	0	3	0.000012	3	0	3	0.000012	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6272818	0	6272818	25.37	6272818	0	6272818	25.37	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**2,47,16,737**	**0**	**2,47,16,737**	**100**	**2,47,16,737**	**0**	**2,47,16,737**	**100**	**0**

B) Shareholding of Promoter

s.no	Shareholder's Name	Shareholding at the beginning of the year 01-April-2019			Shareholding at the end of the year 31-March-2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Rajendra Gandhi	18,184,619	73.57	0	18,184,619	73.57	0	0
2	Sunita Rajendra Gandhi	2,59,300	1.05	0	2,59,300	1.05	0	0

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year As on 01-April-2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Rajendra Gandhi**	18,184,619	73.57	18,184,619	73.57
	At the beginning of the year: 18,184,619				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**				
	At the end of the year: 18,184,619				

Particulars		Shareholding at the beginning of the year As on 01-April-2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Sunita Rajendra Gandhi	259,300	1.37	259,300	1.05
	At the beginning of the year: 259,300				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**				
	At the end of the year: 259,300				

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Sequoia Capital India Growth Investment Holdings I**				
	At the beginning of the year	1,31,1,205	5.30	1,31,1,205	5.30
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	1,31,1,205	5.30	1,31,1,205	5.30
2	**SCI Growth Investments II**				
	At the beginning of the year	4961610	20.07	4961610	20.07
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	4961610	20.07	4961610	20.07
3	**Narayanan Venkitesh**				
	At the beginning of the year	1	0.000004	1	0.000004
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	1	0.000004	1	0.000004
4	**Raju Senthil Kumar**				
	At the beginning of the year	1	0.000004	1	0.000004
	Increase of shareholding by the virtue of Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	1	0.000004	1	0.000004

5	**Neha Gandhi**				
	At the beginning of the year	1	0.000004	1	0.000004
	Increase of shareholding by the virtue of Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	1	0.000004	1	0.000004

E) Shareholding of Directors and Key Managerial Personnel:

S.No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year As on 01-April-2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Rajendra Gandhi**				
	At the beginning of the year	18184622	73.57	18184622	73.57
	Increase of shareholding by the virtue of Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	18184622	73.57	18184622	73.57
2	**Neha Gandhi**				
	At the beginning of the year	1	0.00004	1	0.00004
	Increase of shareholding by the virtue of Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):**No Change**	0	0	0	0
	At the end of the year	1	0.00004	1	0.00004
4	**Bharat Singh -Nominee Director**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	0	0	0	0

5	**Lakshmikant Gupta-Independent Director**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	0	0	0	0
6	**Rajiv Nitin Mehta-Chief Executive Officer and Whole Time Director *****				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	0	0	0	0
7	**Shubha Rao Mayya-Independent Director**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0	0	0	0
	At the end of the year	0	0	0	0
8	**Shashidhar SK-Chief Financial Officer & Company Secretary**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

Notes:

1. Mr. Rajiv Nitin Mehta ceased to be Independent Director w.e.f 3rd September,2019.

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount in Rs

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,363,640,000.00	1,847,470,000.00		3,211,110,000.00
ii) Interest due but not paid				
iii) Interest accrued but not due	6,140,000.00			6,140,000.00
Total (i+ii+iii)	**1,369,780,000.00**	**1,847,470,000.00**	**-**	**3,217,250,000.00**
Change in Indebtedness during the financial year				
* Addition	166,590,000.00	-		166,590,000.00
Reduction		-		-
Net Change	166,590,000.00	-	-	166,590,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,531,870,000.00	1,847,470,000.00		3,379,340,000.00
ii) Interest due but not paid				
iii) Interest accrued but not due	4,500,000.00			4,500,000.00
Total (i+ii+iii)	**1,536,370,000.00**	**1,847,470,000.00**	**-**	**3,383,840,000.00**

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Managing Director	Whole Time Director cum Chief Executive Officer	Total Amount in INR
		Rajendra Gandhi	Rajiv Nitin Mehta	
1	**Gross salary**	90,96,192	11,068,795	20,164,987
2	**Perquisites**	12,67,968	1,431,205	2,699,173
3	**Stock Option**	Nil	312598- Not yet exercised	-
4	**Sweat Equity**	Nil	Nil	-
5	**Commission- as % of profit - others, specify…**	Nil	1.25% of Audited profit before tax	-
6	**Others, please specify**	Nil	Nil	
	Total (A)	**10,364,160**	**12,500,000**	**22,864,160**
	***Ceiling as per the Act**	* The remuneration paid to MD and WTD is beyond prescribed statutory limit, subject to the limitation of 4 crores as approved by the shareholders in the EGM held on 4th December,2019		

B. Remuneration to other directors

S N .	Particulars of Remuneration	Executive Director	Name of Independent Directors				Total Amount
		Neha Gandhi	Bharat Singh	Lakshmikant Gupta	Rajiv Nitin Mehta **	Shubha Rao Mayya	
	Gross Salary	2,090,232				--	
	Fee for attending board committee meetings	-	-	550,000	200,000	800,000	1,550,000
	Commission	-	-	-	-		-
	Others, please specify	271,632	-	-	-		
	Total (1)	**2,361,864**		**550,000**	**200,000**	**800,000**	**3,911,864**
	Overall Ceiling as per the Act	NA	NA				NA

**Mr. Rajiv Nitin Mehta was appointed as Chief Executive Officer and Whole Time Director effective from 3rd September,2019, ceased to be Independent Director from 3rd September,2019 and not eligible for sitting fees.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N/A

Type	Section of the Companies Act,2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penaslty			NA		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NA		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NA		
Punishment					
Compounding					

ANNEXURE-IV TO BOARD'S REPORT

THE DISCLOSURE WITH RESPECT TO REMUNERATION AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of the employees		Rajendra Gandhi	Rajiv Nitin Mehta
1	Designation of the employee;	Managing Director	CEO and Whole Time Director
2	Remuneration received;	10,364,160	6,250,000
3	Nature of employment, whether contractual or otherwise;	Permanent	Permanent
4	Qualifications and experience of the employee;	SSLC	Master's in Business Administration with 15 years of experience.
5	Date of commencement of employment;	28/6/1999	3/09/2019
6	The age of such employee;	52 years	44 years
7	The last employment held by such employee before joining the company;	Not applicable	Previously served as the Chief Executive Officer of Arvind Limited.
8	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	73.5%	Nil
9	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	Father of Ms. Neha Gandhi, Executive Director	Not Applicable

**Mr. Rajiv Nitin Mehta was appointed as Chief Executive Officer and Whole Time Director effective from 3rd September,2019

ANNEXURE-V TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO, ETC.

A. CONSERVATION OF ENERGY:

(A)	**Conservation of Energy:**	
	(i) the steps taken or impact on conservation of energy;	Company has a Energy Purchase agreement with Hero Future Energies & Vsyhali Energy Private Ltd for solar and wind energy respectively as alternative sources of energy. In 2019-20, we consumed 78.61 lakh Units of power from alternative sources i.e. 91.2% of total energy consumption.
	(ii) the steps taken by the company for utilizing alternate sources of energy;	
	(iii) the capital investment on energy conservation equipment's	
(B)	**Technology Absorption**:	
	(i) Efforts made towards technology absorption:	In the process of automation of production. Till now we have automated Roller coating, Non-stick cookware units.
	(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	Improvement in production efficiency and cost reduction along with the enhanced quality of products.
	(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	Rs 99,39,753/-
	(a) Details of technology imported	--------
	(b) Year of import	2019-20
	(C) Whether the technology been fully absorbed	yes
	(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	--
	(iv) the expenditure incurred on Research and Development.	Rs 3,546,167/-
(C)	**Foreign Exchange Earnings and Outgo:**	
	Actual Inflows(Exports)	Rs 500,701,488/-
	Actual Outflows (Imports)	Rs 860,090,901/-
	Actual Outflows (Expenses)	Rs 15,933,232/-

ANNEXURE VI TO BOARD'S REPORT

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

STOVE KRAFT LIMITED

(Formerly known as STOVE KRAFT PRIVATE LIMITED)

U29301KA1999PLC025387

81/1, Medamarana Halli Village, Harohalli Hobli,

Kanakapura Taluk, Ramanagar District -562112

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices, under the Companies Act,2013, by STOVE KRAFT LIMITED., (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent of its applicability to an unlisted Company;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to limited extent as Draft Red Herring prospectus was filed by the company and yet to be listed on stock exchange. The following regulations under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :

   a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

vi. Other laws applicable to the Company namely:

1. Factories Act, 1948 & the Central Rules or Concerned State Rules, made thereunder
2. Boilers Act, 1923 & Rules made thereunder
3. Indian Electricity Act, 1956 & its Central Rules / Concerned State Rules, made thereunder
4. Gas Cylinder Rules, 1981 (Under Indian Explosives Act)
5. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (Under Indian Explosives Act)
6. Environment (Protection) Act, 1986
7. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules.
8. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules
9. Hazardous Wastes (Management and Handling) Rules, 1989
10. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
11. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules.
12. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
13. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules.
14. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
15. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any.
16. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any.
17. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any.
18. The Maternity Benefit Act, 1961 & its Rules.
19. The Equal Remuneration Act, 1976.

20. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
21. The Apprentices Act, 1961 & its Rules.
22. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
23. The Workmen's Compensation Act, 1923
24. The Industrial Dispute Act, 1947
25. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013

We have also examined compliance with following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India;
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015: - Since the Company is unlisted the Regulations are not applicable

During the period under review the Company has materially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that

I. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
III. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
IV. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
V. The Company had filed Draft Red Hearing Prospectus with SEBI on 31/01/2020 for an offer for sale from the existing promoters of 71,63,721 equity shares of face value of Rs. 10 each

("equity shares") of the Company for cash at a price per equity share (including a share premium) to be decided at the time of filing Red Hearing Prospectus. The Company has received the SEBI observation letter on 30/04/2020 which is valid for a period of 12 months.

VI. As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

VII. There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

For BMP & Co. LLP
Company Secretaries

Biswajit Ghosh
Partner
FCS 8750;
CP No. 8239

Place: Bangalore,

Date: 27th July,2020

UDIN:

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members,

Stove Kraft Limited

(Formerly known as STOVE KRAFT PRIVATE LIMITED)

U29301KA1999PLC025387

81/1, Medamarana Halli Village Harohalli Hobli,

Kanakapura Taluk Ramanagar Dist Ka 562112

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the lockdown the only soft copies of the documents were verified for the last quarter.
8. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/ Director taken on record by the Board of the Company, in our opinion adequate systems and process and

control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.

9. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP
Company Secretaries

Biswajit Ghosh
Partner
FCS 8750
CP No. 8239

Place: Bangalore,
Date: 27th July,2020

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Stove Kraft Limited (Formally Stove Kraft Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Stove Kraft Limited (Formally Stove Kraft Private Limited) ("the Parent") and its subsidiary, being a partnership firm, (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Parent and the partners of the partnership firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Parent and partners of the partnership firm included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent and partners of the partnership firm included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Due to COVID-19 related lockdown we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence in this regard.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent, in respect of one of the directors, disqualification was attracted under section 164(2) of the Act, however the Parent has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in the note no. 41 and all other directors are not disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Reporting on the adequacy of Internal Financial Control Over Financial Reporting is not applicable to its subsidiary, being a partnership firm. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
Partner
(Membership No. 211095)
UDIN: 20211095AAAABK5359

Bengaluru, July 27, 2020
Ref.: JT/JKS/DSS/MAR2020

Deloitte Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Stove Kraft Limited (Formally Stove Kraft Private Limited) (hereinafter referred to as "Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, which is the only Company of the Group, incorporated in India, to which Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act is applicable, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
Partner
(Membership No. 211095)
UDIN: 20211095AAAABK5359

Bengaluru, July 27, 2020
Ref.: JT/JKS/DSS/MAR2020

Stove Kraft Limited
Consolidated Balance Sheet
(Amount in Rupees Millions, except for share data, unless otherwise stated)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
Non-current assets			
Property, plant and equipment	3(a)	1,928.89	1,787.14
Capital work-in-progress		42.27	9.48
Right-of-use assets	3(b)	-	-
Intangible assets	3(c)	2.95	18.16
Intangible assets under development		33.40	7.82
Financial assets			
Investments	4	-	-
Other financial assets	5	50.33	50.96
Non-current tax asset (net)	6	2.46	46.57
Other non-current assets	7	40.65	17.98
Total non - current assets		**2,100.95**	**1,938.11**
Current assets			
Inventories	8	1,165.94	974.14
Financial assets			
Trade receivables	9	1,030.34	896.56
Cash and cash equivalents	10(a)	150.06	285.24
Bank balances other than cash and cash equivalent as above	10(b)	44.09	29.55
Loans	11	3.52	4.52
Other financial assets	12	13.25	19.12
Other current assets	13	204.76	123.45
Total current assets		**2,611.96**	**2,332.58**
Total assets		**4,712.91**	**4,270.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14(a)	247.17	247.17
Other equity	14(b)	(848.98)	(873.18)
Equity attributable to owners of the company		**(601.81)**	**(626.01)**
Non-controlling interests	15	**2.27**	**2.17**
Total equity		**(599.54)**	**(623.84)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	2,048.25	2,100.26
Lease liabilities	35	-	
Other financial liabilities	17	108.27	96.01
Provisions	18	62.74	46.12
Total non - current liabilities		**2,219.26**	**2,242.39**
Current liabilities			
Financial liabilities			
Borrowings	19	1,220.55	999.44
Lease liabilities	35	2.49	
Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		46.61	59.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,462.75	1,281.12
Other financial liabilities	21	291.96	237.66
Provisions	22	16.84	15.02
Other current liabilities	23	48.35	53.92
Current Tax Liabilities (net)	24	3.64	5.11
Total current liabilities		**3,093.19**	**2,652.14**
Total liabilities		**5,312.45**	**4,894.53**
Total equity and liabilities		**4,712.91**	**4,270.69**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep S. Trasi
Partner
Membership Number: 211095

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : July 27, 2020

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Mehta

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

STOVE KRAFT LTD. Bangalore Pin: 562 112 RAMANAGAR DIST.

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : July 27, 2020

Stove Kraft Limited
Consolidated Statement of Profit and Loss
(Amount in Rupees Millions, except for share data, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	25	6,698.61	6,409.38
Other income	26	30.53	16.60
Total income		**6,729.14**	**6,425.98**
Expenses			
Cost of materials consumed	27	3,232.38	3,175.40
Purchase of stock in trade	28	1,287.63	1,326.00
Changes in inventories of finished goods, work-in-progress and stock- in- trade	29	(101.33)	(114.78)
Employee benefits expenses	30	820.11	697.95
Finance cost	31	209.01	179.18
Depreciation & amortization expenses	32	124.10	124.41
Other expenses	33	1,121.89	1,026.59
Total expenses		**6,693.79**	**6,414.75**
Profit before tax		**35.35**	**11.23**
Tax expense:	48		
Current tax expense for current year		3.64	4.60
Current tax expense relating to prior year		-	0.28
Net tax expense		**3.64**	**4.88**
Profit for the year		**31.71**	**6.35**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit Plans - Gains / (losses)		(2.56)	1.64
Income tax impact		-	-
Items that will not be reclassified to profit or loss (net of tax)		**(2.56)**	**1.64**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		-	0.05
Income tax impact		-	-
Items that will be reclassified to profit or loss (net of tax)		**-**	**0.05**
Total other comprehensive income for the year		**(2.56)**	**1.69**
Total comprehensive Income for the year		**29.15**	**8.04**
Profit for the year attributable to:			
Owners of the Company		29.05	8.01
Non controlling interests		0.10	0.03
Total		**29.15**	**8.04**
Other comprehensive income for the year attributable to:			
Owners of the Company		-	0.05
Non controlling interests		-	-
Total		**-**	**0.05**
Total comprehensive income for the year attributable to:			
Owners of the Company		29.05	8.01
Non controlling interests		0.10	0.03
Total		**29.15**	**8.04**
Earnings per share			
Basic (in Rs.) (Face value of Rs. 10 each)	39	1.18	0.37
Diluted (in Rs.) (Face value of Rs. 10 each)	39	1.18	0.37

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep S. Trasi
Partner
Membership Number: 211095

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Place : Bengaluru
Date : July 27, 2020

For and on behalf of the Board of Directors

Rajiv Mehta

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

STOVE KRAFT LTD.
Bangalore
Pin: 562 112
RAMANAGAR DIST.

Place : Bengaluru
Date : July 27, 2020

Stove Kraft Limited
Consolidated Statement of Cashflows
(Amount in Rupees Millions, except for share data, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Cashflow from operating activities			
Profit / (Loss) before tax		**35.35**	**11.23**
Adjustments for :			
Depreciation and amortisation expense	32	124.10	124.41
Provision for doubtful trade and other receivables, loans and advances and bad debts written off	33	40.30	22.07
Liability no longer required written back	26	(3.20)	(12.36)
Interest on deposit with bank	26	(2.81)	(1.66)
(Profit) / loss on fair valuation of derivative instruments	26	(2.11)	4.03
(Profit) / loss on sale of property, plant and equipments	26	(0.25)	(0.13)
Finance cost	31	181.30	179.18
Unrealised exchange difference on lease liabilities		(0.50)	-
Unrealised exchange difference on foreign currency transactions and translation (net)		10.79	(7.82)
Employees share option cost recorded on grants	30	8.61	-
Operating cash profit before changes in working capital		**391.58**	**318.95**
Changes in working capital			
Adjustment for (increase)/ decrease in operating assets :			
Other financial assets		7.90	(16.88)
Inventories		(191.80)	77.24
Trade receivables		(172.42)	(123.50)
Other assets		(85.89)	(24.62)
Adjustment for increase/ (decrease) in operating liabilities:			
Other financial liabilities		(7.24)	(22.39)
Trade payables		164.34	(92.04)
Other current liabilities		(5.57)	1.68
Provisions		15.88	12.62
Cash generated from operations		**116.78**	**131.06**
Net income taxes (paid) / refund received		39.00	0.66
Net cash generated from /(used in) operating activities (A)		**155.78**	**131.72**
Cashflow from investing activities			
Capital expenditure on property, plant and equipments (including capital advance)		(260.79)	(74.43)
Proceeds from sale of property, plant and equipments		0.35	0.13
Interest received on bank deposits		2.41	1.93
Movement of margin money deposit with banks (net)		(14.54)	4.26
Net cash generated from /(used in) investing activities (B)		**(272.57)**	**(68.11)**
Cash flows from financing activities			
Proceeds from long-term borrowings		145.74	250.00
Repayment of long-term borrowings		(198.62)	(38.76)
Proceeds/(repayment) from short-term borrowings (net)		215.86	191.87
Payment of lease liabilities		(6.95)	-
Finance cost		(174.42)	(185.48)
Net cash generated from /(used in) financing activities (C)		**(18.39)**	**217.63**
Net Increase/(decrease) in cash & cash equivalents (A+B+C)		**(135.18)**	**281.24**
Cash and cash equivalents at beginning of the year	10(a)	285.24	4.00
Cash and cash equivalents at the end of the year* (Refer note 10(a))		**150.06**	**285.24**
* Comprises:			
(a) Cash on hand	10(a)	0.63	0.55
(b) Balances with banks:			
in current accounts	10(a)	149.43	89.69
in fixed deposits		-	195.00
Total		**150.06**	**285.24**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 008072S

Jaideep S. Trasi
Partner
Membership Number: 211095

Place : Bengaluru
Date : July 27, 2020

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Mehta

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : July 27, 2020

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

STOVE KRAFT LTD. Bangalore Pin: 562 112 RAMANAGAR DIST.

Stove Kraft Limited

Consolidated Statement of Changes in Equity

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital		
Opening balance	247.17	189.00
Add: Conversion of CCDs into equity shares [Refer note 16(v)]	-	58.17
Closing balance	**247.17**	**247.17**

Particulars	Reserves and Surplus				Attributable to the owners of the Company	Non Controlling Interest	Total Other Equity
	Retained earnings	Securities Premium	Items of other comprehensive income	Share options outstanding account			
Balance as at April 01, 2018	(1,975.51)	-	(0.05)		(1,975.56)	2.14	(1,973.42)
Profit for the year	6.32	-	-	-	6.32	0.03	6.35
Remeasurement of defined benefit obligation [Gain/(Loss)]	1.64	-	-	-	1.64	-	1.64
Fair Value changes on cash flow hedge	-	-	0.05	-	0.05	-	0.05
Securities Premium on conversion of CCDs to Equity	-	1,094.37	-	-	1,094.37	-	1,094.37
Balance as at March 31, 2019	(1,967.55)	1,094.37	-	-	(873.18)	2.17	(871.01)
Impact on adoption of Ind AS 116 (Refer Note 37)	(13.46)	-	-	-	(13.46)	-	(13.46)
Profit for the year	29.05	-	-	-	29.05	0.10	29.15
Remeasurement of defined benefit obligation [Gain/(Loss)]	-	-	-	-	-	-	-
Share option recorded on grant during the year	-	-	-	8.61	8.61	-	8.61
Balance as at March 31, 2020	(1,951.96)	1,094.37	-	8.61	(848.98)	2.27	(846.71)

Note: In accordance with Notification G.S.R 404(E), dated April 06, 2016, other comprehensive income in the nature of remeasurement of defined benefit plans (net of tax) is recognised as a part of retained earnings.

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Jaideep S. Trasi
Partner
Membership Number: 211095

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Place : Bengaluru
Date : July 27, 2020

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

STOVE KRAFT LTD.
Bangalore
Pin: 562 112
RAMANAGAR DIST.

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : July 27, 2020

Stove Kraft Limited
Notes to Consolidated Financial Statements
(Amount in Rupees Millions, except for share data, unless otherwise stated)

1 Corporate information

Stove Kraft Limited is a company domiciled in India, with its registered office situated at Bengaluru. It is engaged primarily in the business of manufacture of pressure cookers, LPG stoves, non-stick cookware, wick stoves and trading of other kitchen and electrical appliances under the brand names "Pigeon" and "Gilma".

The Company changed its name from Stove Kraft Private Limited to Stove Kraft Limited on August 13, 2018.

The Consolidated Financial Statements of the Company and its partnership firm considered as subsidiary (together known as the "Group") comprise of the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows, Consolidated Statement of changes in equity and significant accounting policies and explanatory notes (collectively, the 'Consolidated Financial Statements').

2 Significant accounting policies

2.1 *Statement of compliance*

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act as applicable

Except for the changes below, the Group has consistently applied accounting policies to all years.

i) The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Refer Note 35 for further details.

2.2 Basis of of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for:
- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan that are measured at fair values at the end of each reporting year;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Ø Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Ø Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Ø Level 3 inputs are unobservable inputs for the asset or liability.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

STOVE KRAFT LTD. Bangalore Pin: 562 112 RAMANAGAR DIST.

2.3 Summary of significant accounting policies

(a) Revenue Recognition

i. Sale of goods

Effective April 01 2018, the Group adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.
The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, loyalty benefits and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

ii. Export entitlement

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

iii. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.

Assets	Useful Life in years
Leasehold Improvements	3-5 Years or over the lease period whichever is lower
Office Equipments	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

STOVE KRAFT LTD.
Bangalore
Pin: 562 112
RAMANAGAR DIST.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful life in years
Technical know how	5
Computer Software	6

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

(d) Investments in partnership firm

Investment in partnership firm is measured at cost less impairment.

(e) Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes purchase cost and all other charges in bringing the inventories to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

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A. Financial Assets:

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount on initial recognition.

ii. Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

iv. Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting year, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

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Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables:
ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

v. Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in statement of profit and loss.

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B. Financial liabilities and equity instruments

i. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iv. Financial liabilities at FVTPL

Financial liability has been designated at FVTPL where it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of profit and loss.

v. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting years. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter year, to the net carrying amount on initial recognition.

vi. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vii. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

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C. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

E. Hedge Accounting

The Group designates certain hedging instruments as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

i. Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

ii. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the years when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity will be recognised in statement of profit and loss on such event.

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(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Foreign Currency transactions and translations

The functional currency of the Group is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

(i) Employee Benefits

Defined Contribution Plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
•service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
•net interest expense or income; and
•re-measurement
The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

(j) Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,
(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the year in which they are incurred.

(k) Leases
The Group as a Lessee:
The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative year, leases under which the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. All other leases were classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(l) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

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Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(m) Provisions and Contingent Liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in the financial statements.

(n) Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss.

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(o) Earnings per share

Basic earnings per share is computed by dividing statement of profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(p) Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

(q) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.4 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.4, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets
The useful life of the assets are determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

2. Impairment
An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

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3. Impairment of financial assets
The impairment assessment for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting year.

4. Deferred tax
Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

5. Fair value
Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting-date.

6. Post-retirement benefit plans
The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

7. Provisions and contingencies
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting year.

8. Estimation of uncertanity relating to the global health pandemic from Covid-19
In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, Receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial information.

2.5 Standards issued but not yet effective

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :
On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The standard permits two possible methods of transition -
i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting year presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
The effective date for adoption of Ind AS 12 Appendix C is annual years beginning on or after April 1, 2019. The Group is currently assessing the impact on adoption of this standard on the Group's financial statements.

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Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting years beginning on or after April 01, 2019.

The Group is currently evaluating the effect of the above on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the year after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual year beginning on or after April 01, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

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(Amount in Rupees Millions except for share data or as otherwise stated)

Note

3(a) Property, plant and equipment

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements	Computers	Office equipments	Vehicles	Total
Opening Gross block as at April 01, 2018	843.28	391.48	588.09	19.61	9.48	9.10	14.13	24.30	1,899.47
Additions	1.20	4.49	88.93	0.68	-	1.19	0.27	-	96.76
Disposals	-	-	(12.20)	-	-	-	-	-	(12.20)
Gross block as at March 31, 2019	**844.48**	**395.97**	**664.82**	**20.29**	**9.48**	**10.29**	**14.40**	**24.30**	**1,984.03**
Accumulated Depreciation									
Opening accumulated depreciation	-	15.54	63.12	2.41	2.55	3.93	3.27	2.41	93.23
Depreciation expense for the year	-	15.88	73.92	2.92	2.27	3.78	3.35	3.43	105.55
Eliminated on disposal of assets	-	-	(1.91)	-	-	-	-	-	(1.91)
Accumulated depreciation as at March 31, 2019	**-**	**31.42**	**135.13**	**5.33**	**4.82**	**7.71**	**6.62**	**5.84**	**196.87**
Carrying amount as at March 31, 2019	**844.48**	**364.55**	**529.69**	**14.96**	**4.66**	**2.58**	**7.78**	**18.46**	**1,787.16**
Opening Gross block as at April 01, 2019	844.48	395.97	664.82	20.29	9.48	10.29	14.40	24.30	1,984.03
Additions	-	31.50	212.09	0.58	-	1.62	2.19	5.34	253.32
Disposals	-	-	(0.82)	-	-	(0.86)	(0.08)	-	(1.76)
Gross block as at March 31, 2020	**844.48**	**427.47**	**876.09**	**20.87**	**9.48**	**11.05**	**16.51**	**29.64**	**2,235.59**
Accumulated Depreciation									
Opening accumulated depreciation	-	31.42	135.13	5.33	4.82	7.71	6.62	5.84	196.87
Depreciation expense for the year	-	16.51	81.73	3.30	1.63	1.55	3.25	3.52	111.49
Eliminated on disposal of assets	-	-	(0.80)	-	-	(0.86)	-	-	(1.66)
Accumulated depreciation as at March 31, 2020	**-**	**47.93**	**216.06**	**8.63**	**6.45**	**8.40**	**9.87**	**9.36**	**306.70**
Carrying amount as at March 31, 2020	**844.48**	**379.54**	**660.03**	**12.24**	**3.03**	**2.65**	**6.64**	**20.28**	**1,928.89**

* Leasehold improvements made in the premises which is taken on lease by the franchisee
Refer note 16 (i), (ii) (iii) and (iv) and note 19(i) for details of mortgage & hypothecation.

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3(b) Right-of-use assets

Particulars	Technical know how
Balance as at April 01, 2019	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 3(c) and 37)	-
Additions	35.69
Deletions	(25.75)
Amortisation (Refer Note 32)	9.94
Balance as at March 31, 2020	-

3(c) Intangible Assets

Particulars	Computer software	Technical know how	Total
Opening Gross block as at April 01, 2018	9.21	47.14	56.35
Additions	0.79	0.22	1.01
Disposals	-	-	-
Gross block as at March 31, 2019	**10.00**	**47.36**	**57.36**
Opening Gross block as at April 01, 2019	10.00	47.36	57.36
Additions	0.91	-	0.91
Reclassified on account of adoption of Ind AS 116 (Refer Note 37)	-	(47.36)	(47.36)
Disposals	-	-	-
Gross block as at March 31, 2020	**10.91**	-	**10.91**
Amortisation			
Opening accumulated amortisation as at April 1, 2018	2.89	17.47	20.36
Amortisation expense for the year	2.40	16.44	18.84
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at March 31, 2019	**5.29**	**33.91**	**39.20**
Carrying amount as at March 31, 2019	**4.71**	**13.45**	**18.16**
Amortisation			
Opening accumulated amortisation as at April 1, 2019	5.29	33.91	39.20
Reclassified on account of adoption of Ind AS 116 (Refer Note 37)	-	(33.91)	(33.91)
Amortisation expense	2.67	-	2.67
Eliminated on disposal of assets	-	-	-
Accumulated amortisation as at March 31, 2020	**7.96**	-	**7.96**
Carrying amount as at March 31, 2020	**2.95**	-	**2.95**

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Note

4 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
In equity instruments of associate (Carried at cost)		
7,500 Equity shares of Rs. 10/- each fully paid up in Pigeon Appliances Private Limited (Refer Note (i) below)	-	-
Total	-	-

Note

(i) The Company had invested a sum of Rs. 0.08 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL). The business operations of PAPL is controlled by the majority shareholders of PAPL. During the FY 2014-15, the Company had noted certain irregularities in the business operations of PAPL and use of trademarks registered in the name of the Company, without the consent of the Company. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks.

5 Other financial Asset (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good unless otherwise stated)		
Security deposits		
Considered good	50.33	50.96
Considered doubtful	1.18	1.18
Less: Allowance for doubtful security deposits	(1.18)	(1.18)
Total	**50.33**	**50.96**

6 Non-current tax asset (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax [net of provision of Rs. Nil (as at March 31, 2019 Rs. Nil)]	2.46	46.57
Total	**2.46**	**46.57**

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Note

7 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good unless otherwise stated)		
Capital advances		
Considered good	22.41	4.32
Considered doubtful	0.91	2.38
Less: Allowance for doubtful advance	(0.91)	(2.38)
	22.41	**4.32**
Provident fund paid under protest	2.82	-
	2.82	-
Tax paid under protest	8.33	7.58
Considered doubtful	3.54	3.54
Less: Allowance for doubtful balances	(3.54)	(3.54)
	8.33	**7.58**
Balance with government authorities		
Considered good	2.96	3.91
Considered doubtful	11.81	11.81
Less: Allowance for doubtful balances	(11.81)	(11.81)
	2.96	**3.91**
Prepaid expense	4.13	2.17
Total	**40.65**	**17.98**

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials, components and packing materials	387.84	343.10
Raw material-in-transit	58.57	12.84
Work-in-progress	61.61	31.98
Finished goods (manufactured)	383.89	246.83
Stock-in-trade (acquired for trading)	219.12	278.70
Goods-in-transit (acquired for trading)	54.91	60.69
Total	**1,165.94**	**974.14**

Refer note19(i) for details of hypothecation.

9 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables Considered good - Unsecured	1,030.34	896.56
Trade Receivables - Credit impaired	98.38	77.26
	1,128.72	**973.82**
Less: Allowance for doubtful receivables	(98.38)	(77.26)
Total	**1,030.34**	**896.56**

The average credit period on sale of goods ranges from 60 to 120 days.
Refer note 19(i) & (ii) for details of hypothecation.
Refer note 32.5 for credit risk

10(a) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.63	0.55
Balances with banks:		
In current accounts	149.43	89.69
In fixed deposits	-	195.00
Total	**150.06**	**285.24**

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Note

10(b) Bank Balances other than cash and cash equivalent as above

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note (i) below)	44.09	29.55
Total	**44.09**	**29.55**

Note

(i) Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the Balance sheet date.

11 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good)		
Advance to employees	3.52	4.52
Total	**3.52**	**4.52**

12 Other financial assets (Current)*

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good)		
Insurance Claim Receivable	4.00	10.99
Government Incentive Receivable	8.64	7.92
Interest accrued on deposit with banks	0.61	0.21
Total	**13.25**	**19.12**

*Refer note19(i) for details of hypothecation.

13 Other Current Assets*

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expense (Refer note (i) below)	69.77	53.14
Advances to suppliers / service providers		
Considered good	55.12	44.13
Considered doubtful	8.79	9.46
Less: Allowance for doubtful advances	(8.79)	(9.46)
	55.12	44.13
Balance with government authorities	79.87	26.18
Total	**204.76**	**123.45**

*Refer note19(i) for details of hypothecation.

Note (i) : The company has so far incurred share issues expenses of Rs. 58.87 Million as at March 31, 2020 (Rs. 42.79 Million as at March 31, 2019) in connection with proposed public offer of equity shares. These expenses shall be adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013 on the successful completion of Initial Public Offer (IPO). The entire amount has been carried forward and disclosed under the head 'Other current assets' as Prepaid expenses.

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Note

14(a) Equity Share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
39,999,995 Equity shares of Rs. 10/- each (As at March 31, 2019 : 39,999,995 Equity shares of Rs. 10/- each)	400.00	400.00
10 Class A Equity shares of Rs. 10/- each (As at March 31, 2019 : 10 Class A Equity shares of Rs. 10/- each)	-	-
Total	**400.00**	**400.00**
Issued, subscribed and fully paid up capital		
24,716,727 Equity shares of Rs. 10/- each (As at March 31, 2019 : 24,716,727 Equity shares of Rs. 10/- each)	247.17	247.17
10 Class A Equity shares of Rs. 10/- each (As at March 31, 2019 : 10 Class A Equity shares of Rs. 10/- each)	-*	-*
Total	**247.17**	**247.17**

* Not reported due to roundoff

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Equity shares of Rs. 10/- each		Class A Equity shares of Rs. 10/- each	
	Number of Shares	Rs.	Number of Shares	Rs.
Opening balance as at April 01, 2018	18,900,100	189.00	10	-*
Add: Conversion of CCDs into equity shares (Refer note 16(v))	5,816,627	58.17	-	-
Closing balance as at March 31, 2019	**24,716,727**	**247.17**	**10**	-*
Opening balance as at April 01, 2019	24,716,727	247.17	10	-*
Add: Movement during the year	-	-	-	-
Closing balance as at March 31, 2020	**24,716,727**	**247.17**	**10**	-*

* Not reported due to roundoff

(ii) Terms/rights attached to:

Equity share holders:

The holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Class A Equity share holders:

Class A equity shares are held by SCI Growth Investments II ('Sequoia'). The voting rights of Sequoia in relation to the Class A equity shares at every resolution placed before the shareholders of the Company at any General Meetings of the company shall be equal to 43.36%. In the event the Board declares dividend, then the dividend payable on the outstanding Compulsory Convertible Debentures (CCD's) (which have not been converted) shall be equal to the dividend declared and calculated based on the number of equity shares to be issued to Sequoia on conversion of the CCD's.

(iii) Details of shares held by each shareholder holding 5% or more shares:

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share of Rs. 10/- each		
Rajendra Gandhi		
No. of shares	18,184,619	18,184,619
% of holding	73.57%	73.57%
SCI Growth Investments II		
No. of shares	4,961,605	4,961,605
% of holding	20.07%	20.07%
Sequoia Capital India Growth Investment Holdings I		
No. of shares	1,311,200	1,311,200
% of holding	5.30%	5.30%
Class A Equity share of Rs. 10/- each		
SCI Growth Investments Holdings I		
No. of shares	5	5
% of holding	50%	50%
SCI Growth Investments II		
No. of shares	5	5
% of holding	50%	50%

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Note

14(b) Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings	(1,951.96)	(1,967.55)
Securities Premium	1,094.37	1,094.37
Share options outstanding account	8.61	
Total	**(848.98)**	**(873.18)**

Particulars	As at March 31, 2020	As at March 31, 2019
A) Cash flow hedging reserve		
Opening balance	-	(0.05)
Add : (Loss) / Profit on hedging instruments	-	0.05
Closing balance [A]	-	-
B) Retained earnings		
Opening balance	(1,967.55)	(1,975.51)
Add/(Less) : Profit/(Loss) for the year	29.05	6.32
Add/(Less) : Remeasurement gain/(loss) of defined benefit obligation recognised in other comprehensive Income	-	1.64
Impact on adoption of Ind AS 116 (Refer Note 37)	(13.46)	-
Closing balance [B]	**(1,951.96)**	**(1,967.55)**
C) Securities premium		
Opening balance	1,094.37	-
Add/(Less) : Movement during the year	-	1,094.37
Closing balance [C]	**1,094.37**	**1,094.37**
D) Share options outstanding account		
Opening balance	-	-
Add/(Less) : Amounts recorded on grants during the year	14.40	-
Add/(Less) : Deferred stock compensation expense	(5.79)	-
Closing balance [D]	**8.61**	-
Grand total [A+B+C+D]	**(848.98)**	**(873.18)**

(i) Cash flow hedging reserve
The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

(ii) Retained Earnings
Retained earnings are the profits/(loss) that the Group has earned till date, less any transfers to other reserves and other distributions paid to its equity shareholders.

(iii) Securities premium reserve
Securities premium is used to record the premium received on issue of shares.

(iv) Share options outstanding account
Share options outstanding account is used to record the expenses towards share based payment to employees recognised on straight line basis over the vesting period till date, less any transfer to other reserves.

15 Non-controlling interests

Particulars	Non-Controlling interest
Balance as at April 01, 2018	**2.14**
Changes in non-controlling interest for the year ended March 31, 2019	
Add/(less) : Profit / (Loss) for the year	0.03
Balance as at March 31, 2019	**2.17**
Opening balance as at April 01, 2019	**2.17**
Changes in non-controlling interest for year ended March 31, 2020	
Add/(less) : Profit / (Loss) for the year	0.10
Closing balance as at March 31, 2020	**2.27**

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Note

16 Borrowings (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured (at amortized cost):		
Term loan from bank [Refer note (i) and (ii)]	162.32	247.90
Term loan from financial institutions [Refer note (iii)]	32.12	-
Vehicle loan [Refer note (iv)]	6.34	4.89
Unsecured (at fair value through Profit and Loss)		
6,089,554 (6,089,554 as at March 31, 2019) Compulsory Convertible Debentures (CCD) of Rs. 10/- each (Refer note (v) below)	1,847.47	1,847.47
Total	**2,048.25**	**2,100.26**

Note

(i) The company had taken the term loan from South Indian Bank (SIB) of Rs. 125 million during the FY 2017-18. Rate of interest is 12 month marginal cost of fund based lending rate (MCLR) + 2% spread which is subject to yearly reset which is repayable in 60 equal instalments. Repayment of term loan obtained from SIB started from July 2018.

During the year the company has taken a term loan from IDFC of Rs.99.99 million to take over the outstanding Term Loan of Rs.99.99 million from South Indian Bank with the same repayment schedule. The Outstanding Term Loan of Rs.99.99 million of South Indian Bank is paid on July 01, 2019.

Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi and Ms. Neha Gandhi.

(ii) The company had taken the working capital term loan from IDFC First Bank (IDFC) of Rs. 250 million during the FY 2018-19. Rate of interest is 12 month marginal cost of fund based lending rate (MCLR) + 2.25% spread which is subject to yearly reset which is repayable in 36 equal instalments. Repayment of term loan obtained from IDFC started from April 2019.

During the year the company has taken the term loan from IDFC of Rs.99.99 million to take over the outstanding Term Loan of Rs.99.99 from South Indian Bank with the same repayment schedule and also additional Cash Credit facility of Rs.100 million. The Outstanding Term Loan of Rs.99.99 million of South Indian Bank is paid on July 01, 2019.

Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi and Ms. Neha Gandhi.

(iii) The company has availed the Equipment Finance facility from Tata Capital Financial Services Limited for Rs. 80 million during the year with tenor of 48 months & the floating interest rate @ 11.75% p.a.

Security: Exclusive charge on equipment's purchased out of TCFSL facility and irrevocable and unconditional personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.

(iv) The company had borrowed Rs.10 million vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed Rs.8 million towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed Rs.3.99 million towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.8% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

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(v) 6,089,554 Compulsory Convertible Debentures (CCD) of Rs. 10/- each: The following are the terms of the issue:

Interest: The holders of the CCD shall be entitled to receive interest at a coupon rate of 0.0000001% per annum.

Dividends rights: Until conversion of all CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to the holders of CCD on conversion of the outstanding CCD.

Conversion: In accordance with the terms and conditions agreed with holders of CCD, each CCD is either (a) compulsorily convertible into equity shares of the company, at any time after the closing date into such number of fully paid shares as is determined by the conversion ratio and at a price defined in the Investment Agreement or (b) compulsory convert into equity shares of the company upon the earlier of the proposed filing of the draft red herring prospectus in connection with the Qualified IPO by the company or the date as mentioned in the Investment Agreement.

Buy back: The holder of the instrument has right to sell back the CCDs to company after four years from the closing dates.

Exit to CCD holders: At any time after the expiry of the fourth anniversary from the closing date, the company, the promoters and the investors shall cause a transaction that would give liquidity to CCD holders investment in the company ('Exit Option'). At any time after the expiry of the fourth anniversary from the closing date the company, the promoters and the CCD holders shall jointly determine to provide one or more of the below mentioned exit options:

(a) The company shall conduct the Qualified IPO; or
(b) The company shall buy back, some or all outstanding CCD's; or
(c) The holders CCD's shall be entitled to transfer the CCD's to a third party.

The holders of CCD have confirmed that they shall convert the outstanding number of CCDs into fully paid equity share capital of the Company before the filing of the red herring prospectus with Securities and Exchange Board of India.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

Particulars	As at March 31, 2018	Financing Cash Flow	Non cash Changes			As at March 31, 2019
			Acquisition/ (Conversions)	Foreign exchange movement	Fair value change/others	
(a)Non Current Borrowings						
Borrowings from bank	141.25	214.99	-	-	-	356.24
Borrowings from other financial institution	11.71	(3.75)	-	-	-	7.96
Compulsorily convertible debentures(CCD)	3,000.00	-	(1,152.53)	-	-	1,847.47
(b)Current Borrowings	809.58	191.87	-	(2.01)	-	999.44
Total Borrowings	**3,962.54**	**403.11**	**(1,152.53)**	**(2.01)**	-	**3,211.11**

Particulars	As at March 31, 2019	Financing Cash Flow	Non cash Changes			As at March 31, 2020
			Acquisition/ (Conversions)	Foreign exchange movement	Fair value change/others	
(a)Non Current Borrowings						
Borrowings from bank	356.24	(98.96)	-	-	-	257.28
Borrowings from other financial institution	7.96	46.08	-	-	-	54.04
Compulsorily convertible debentures(CCD)	1,847.47	-	-	-	-	1,847.47
(b)Current Borrowings	999.44	215.86	-	5.25	-	1,220.55
Total Borrowings	**3,211.11**	**162.98**	-	**5.25**	-	**3,379.34**

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Note

17 Other financial liabilities (Non-current)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits received	108.27	96.01
Total	**108.27**	**96.01**

18 Provisions (Non-current)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
Compensated absence	6.79	2.53
Gratuity (Refer note 35)	44.91	35.30
Provision - others:		
For warranties (Refer Note (i) below)	11.04	8.29
Total	**62.74**	**46.12**

Note

(i) The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations against the sales made by the company in the current and previous year, the details of which are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
Warranty Provision		
Opening balance	16.19	10.84
Add/(Less) : Additions during the year	15.44	15.38
Add/(Less) : Unwinding of interest on discounting of provision	0.09	0.71
Add/(Less) : Reversed / utilisation during the year	(12.15)	(10.74)
Closing balance	**19.57**	**16.19**

Of the above the amounts expected to be incurred within a year amounts to Rs. 8.53 millions . The warranty expenditure is expected to be incurred over the warranty life of the products, as contracted, which varies from 6 months to 5 years

19 Borrowings (current)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured loans repayable on demand from banks (at amortised cost):		
From banks (Refer note (i) below)	1,098.60	885.72
From financial institutions (Refer note (ii) below)	121.95	113.72
Total	**1,220.55**	**999.44**

Note:

(i) Secured loans repayable on demand from banks are in the nature of working capital loans which are secured by way of hypothecation of inventory, receivables and other current assets, charge over property, plant and equipments of the company along with equitable mortgage of immovable properties. Loans repayable on demand from banks is also secured by personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi and Ms. Neha Gandhi.

(ii) Security: Exclusive charge on the trade receivables which is discounted by the financial institution and also secured by personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.

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20 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Other than Acceptances		
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	46.61	59.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,462.75	1,281.12
Total	**1,509.36**	**1,340.99**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables towards materials	900.62	857.26
Trade payables towards services	249.40	198.93
Trade payables towards accruals	359.34	284.79
Total	**1,509.36**	**1,340.99**

a) Trade payables are non-interest bearing and are normally settled between 60 to 150 days.
b) The company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 34.

21 Other Financial liabilities (current)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of non-current borrowings		
Term loan from bank [Refer note 16(i) and (ii)]	94.96	108.34
Term loan from financial institutions [Refer note 16(iii)]	13.25	-
Vehicle loan [Refer note 16(iv)]	2.33	3.07
Security deposits received	50.76	70.26
Interest accrued but not due on borrowings	4.50	6.14
Derivative liabilities	0.66	2.77
Other payables:		
Payable on purchase of property, plant and equipment	110.25	40.35
Interest payable on security deposits	15.25	6.73
Total	**291.96**	**237.66**

22 Provisions (current)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
Gratuity (Refer note 35)	6.20	3.88
Compensated absence	2.11	3.24
Provision - others:		
For warranty (Refer note 18(i))	8.53	7.90
Total	**16.84**	**15.02**

23 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred revenue	16.68	16.12
Statutory remittances	17.40	18.78
Advance received from customers	14.27	19.02
Total	**48.35**	**53.92**

24 Current tax liabilities (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for income tax (net)	3.64	5.11
Total	**3.64**	**5.11**

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Note

25 Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products (refer note(i) below)	6,666.22	6,349.96
Other operating revenue:		
Sale of scrap	15.37	24.29
Duty drawback	17.02	35.13
Total	**6,698.61**	**6,409.38**

Note (i): Sale of products include :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufactured	4,826.99	4,341.22
Traded	1,839.23	2,008.74
Total	**6,666.22**	**6,349.96**

Refer Note 36 for disaggregated revenues from contracts with customers by geography.

Performance obligations and remaining performance obligations:
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting year and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

26 Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Recurring items		
Interest income (refer note (i) below)	14.08	1.97
Miscellaneous income	2.95	2.14
Fair Value changes on derivative instruments	2.11	-
(ii) Non-recurring items		
Liability no more required written back	3.20	12.36
Income Tax refund amount	2.83	-
Excess Provision Reversed	5.11	-
Profit on sale of property, plant and equipment (net)	0.25	0.13
Total	**30.53**	**16.60**

Note(i) - Interest income comprises:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest from banks on deposits	2.81	1.66
Interest income on financial assets designated at amortized cost	0.20	0.17
Interest on income tax refund	11.07	-
Interest on trade receivables	-	0.14
Total	**14.08**	**1.97**

27 Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	(355.94)	547.96
Add: Purchases	4,034.73	2,983.38
	3,678.79	3,531.34
Less: Closing stock	(446.41)	(355.94)
Total	**3,232.38**	**3,175.40**

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Note

28 Purchase of stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of traded goods	1,287.63	1,326.00
Total	**1,287.63**	**1,326.00**

29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
Finished goods	383.89	246.83
Work-in-progress	61.61	31.98
Stock-in-trade	274.03	339.39
	719.53	**618.20**
Inventories at the beginning of the year:		
Finished goods	246.83	157.70
Work-in-progress	31.98	0.59
Stock-in-trade	339.39	345.13
	618.20	**503.42**
(Increase) / decrease	**(101.33)**	**(114.78)**

30 Employee benefits expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	726.17	613.53
Contributions to provident fund (Refer note 35)	38.45	27.67
Gratuity expense (Refer note 35)	15.67	11.22
Share-based payments to employees	8.61	-
Staff welfare expenses	31.21	45.53
Total	**820.11**	**697.95**

31 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on:		
Borrowings	144.93	128.02
Lease liabilities	0.56	-
Others	35.81	26.67
Other borrowing cost:		
Interest on statutory dues	-	0.37
Bank charges and other processing charges	27.71	24.12
Total	**209.01**	**179.18**

32 Depreciation & amortization expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation expenses	111.49	105.57
Amortization of Right-of-use assets (Refer note 3(b))	9.94	-
Amortization of intangible assets (Refer note 3(c))	2.67	18.84
Total	**124.10**	**124.41**

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Note

33 Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Job work charges	67.83	71.06
Power and fuel	69.88	56.92
Lease rentals	6.14	3.46
Repairs and maintenance		
Buildings	14.78	14.20
Plant and machinery	31.40	31.65
Others	3.22	2.90
Insurance	7.86	3.91
Rates and taxes	15.44	9.37
Communication	6.86	7.03
Travelling and conveyance	100.29	78.74
Printing and stationery	1.14	1.85
Freight and forwarding	240.70	240.16
Sales commission	90.70	134.44
Business promotion and advertisement expenses	316.26	227.01
Legal and professional fees	38.06	45.10
Payment to auditors comprises (net of Taxes)*		
For statutory audit	3.62	2.37
Certification charges	-	0.06
Out-of-pocket expense	1.11	0.65
For cost audit	0.10	0.10
Net loss on foreign currency transactions and translation	12.54	30.98
Provision for doubtful trade and other receivables, loans and advances (net) and balances written off	40.30	22.07
Provision for warranty (Refer note 17(i))	15.44	15.38
Royalty	10.04	5.41
Fair Value changes on derivative instruments	-	4.03
Miscellaneous expenses	28.18	17.74
Total	**1,121.89**	**1,026.59**

*The amount excludes Rs. 12.5 Million pertaining to payment to auditors towards fee for Initial Pubilc Offer which is disclosed under prepaid expenses (Share issue expenses) under the head other current assets referred to in Note 13.

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Note

34 Financial Instruments

34.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company consists of net debt (borrowings as detailed in notes 16, 19 and Current maturities of non-current borrowings as detailed in note 21, offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it in compliance with the required covenants.

Gearing ratio

The gearing ratio at end of the reporting year was as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (i)	3,379.34	3,211.11
Less: Cash and bank balances	194.15	314.79
Net Debt(A)	**3,185.19**	**2,896.32**
Total Equity(B)	**(599.54)**	**(623.84)**
Net debt to equity ratio (A/B) (Refer note (ii) below)	-	-

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings (borrowings as detailed in notes 16 and 19 and current maturities of non-current borrowings as detailed in note 21).

The holders of CCD have confirmed that they shall convert the outstanding number of CCDs into fully paid equity share capital of the Company before the filing of the red herring prospectus with Securities and Exchange Board of India.

(ii) The net debt to equity ratio as at March 31, 2020 and March 31, 2019 has not been computed as the accumulated losses have exceeded the paid up capital and other free reserves as at that date. The Company however, for the purpose of its internal reporting, considers the outstanding compulsorily convertible debentures ("CCD") as at March 31, 2020 of Rs. 1847.47 (Rs. 1847.47 as at March 31, 2019) to represent an element of equity, whereby the revised position of the net debt to equity ratio would be :

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (Gross)	3379.34	3211.11
Less: Outstanding CCD	1847.47	1847.47
Less: Cash and bank balances	194.15	314.79
Revised Net Debt (A)	**1337.72**	**1048.85**
Total Equity	(599.54)	(623.84)
Add: Outstanding CCD	1847.47	1847.47
Revised Total Equity (B)	**1247.93**	**1223.63**
Net debt to equity ratio (A/B) (Refer note (ii) below)	**1.07**	**0.86**

Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at amortised cost		
Trade receivables	1,030.34	896.56
Cash and bank balances	194.15	314.79
Loans	3.52	4.52
Other financial assets	63.58	70.08
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Borrowing	1,847.47	1,847.47
Derivative financial liability	0.66	2.77
Measured at amortised cost		
Borrowings (including current maturities of non current	1531.87	1363.64
Trade Payables	1,509.36	1,340.99
Other financial liabilities	289.03	219.49

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Note

34.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair Valuation techniques and inputs used

Particulars	Fair value hierarchy	Basis of valuation	As at March 31, 2020	As at March 31, 2019
Financial liabilities				
Borrowings	Level - 3	Note 3	1,847.47	1,847.47
Derivative Instruments	Level - 2	Note 1	0.66	2.77

1 The fair value of derivative contracts are determined using forward exchange rates at the balance sheet date.

2 Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

3 The fair value is determined at a present value which discounts the potential future cash flows.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Sensitivity of Unobservable inputs used in Level 3 fair value measurements

The value of series A and series B CCDs is not impacted as both are carried at their maximum value.

Reconciliation of Level 3 fair value measurements

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1,847.47	3,000.00
Add: Movement during the year	-	(1,152.53)
Closing balance	1,847.47	1,847.47

Financial risk management objectives

The company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

34.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

a) exposure arising from transactions relating to purchase of goods including capital goods, revenues, expenses, etc., to be settled in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

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34.3.1 Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables.

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

Contracts not designated as cash flow hedge

Particulars	Currency	As at March 31, 2020	As at March 31, 2019
Trade payables hedged with forward contracts with maturity less than 120 days	USD	0.12	3.03
	INR	8.81	209.77

The carrying amount of the company's foreign currency denominated monetary liabilities (Payables) and assets (Receivables) as at the end of the reporting year are as follows:

Particulars	Currency	As at March 31, 2020	As at March 31, 2019
Payables (including current borrowings)	USD	194.27	207.44
	EURO	30.91	-
	RMB	45.55	3.93
Trade receivables	USD	69.60	42.79

34.3.2 Foreign currency sensitivity analysis

The company is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables and current borrowings. The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below.

Particulars	Increase/(decrease) in equity	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Appreciation of USD	(6.23)	(8.43)
Depreciation of USD	6.23	8.43

The impact on equity has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting year might not reflect the exposure during the year.

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34.4 Interest rate risk

The company has taken a loan in foreign currency at variable interest rate, interest being index linked, that is their cost is linked to changes in the London inter-bank offer rate (LIBOR). The company has entered into a cross currency interest swap to hedge the variable interest risk and foreign currency risk and converted it into a fixed INR interest loan and thereby the company interest rate is fixed and not subject to any further risks.

The company has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

The company is not subject to any other material interest rate risk

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Financial assets		
Balance held as margin money	44.09	29.55
Fixed Deposit held as cash & cash equivalent	-	195.00
Financial liabilities		
Borrowings from bank and other financial institution	8.67	7.96
Security deposit received	159.03	166.27
	211.79	**398.78**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank and other financial institution	1,523.20	1,355.68
	1,523.20	**1,355.68**

Interest rate sensitivity analysis

A change of 100 basis points (bps) in interest rate at the reporting date would have increased / (decreased) equity by the amount shown below. This analysis assumes that all other variables remain constant.

	Increase/(decrease) in equity	
Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Increase of 100 bps on variable rate instruments	(11.22)	(8.43)
Decrease of 100 bps on variable rate instruments	11.22	8.43

34.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The company does not hold any collaterals to cover its risk associated with trade receivables.
Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of expected credit loss - Trade receivables

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Provision	77.26	124.36
Add/(Less) : Change in Provision	21.12	(47.10)
Closing Provision	**98.38**	**77.26**

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for more than 6 months	62.95	117.05
Others	967.39	779.51
Total	**1,030.34**	**896.56**

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Liquidity risk
Liquidity risk is the risk that the company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity analysis for non derivative financial liabilities
The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The table have been drawn up based on the undiscounted principal cash flows of financial liabilities based on the earliest date on which the company is required to pay. The contractual maturity is based on the earliest date on which the company would be required to pay.

As at March 31, 2020

Particulars	Due within			Total	Carrying Amount
	1 year	1-3 years	>.3 years		
Borrowings	3,178.56	179.24	21.54	**3,379.34**	3,379.34
Trade payables	1,509.36	-	-	**1,509.36**	1,509.36
Other financial liabilities	180.76	108.27	-	**289.03**	289.03
Total	**4,868.68**	**287.51**	**21.54**	**5,177.73**	**5,177.73**

The interest rate for borrowings with variable interest rate is in the range of 10.5 % to 12.5%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

As at March 31, 2019

Particulars	Due within			Total	Carrying Amount
	1 year	1-3 years	> 3 years		
Borrowings	2,958.32	220.12	32.67	**3,211.11**	3,211.11
Trade payables	1,340.99	-	-	**1,340.99**	1,340.99
Other financial liabilities	123.48	96.01	-	**219.49**	219.49
Total	**4,422.79**	**316.13**	**32.67**	**4,771.59**	**4,771.59**

The interest rate for borrowings with variable interest rate is in the range of 11 % to 15.15%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

34.6 Financing Facilities

Particulars	As at March 31, 2020	As at March 31, 2019
Secured term loan facilities		
- amount used	257.28	356.24
- amount unused	-	-
Secured cash credit facilities		
- amount used	1,220.55	999.44
- amount unused	119.65	149.92
Secured non-fund based bank facilities		
- amount used	114.00	122.58
- amount unused	49.60	27.42

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35 Employee Benefit

Defined contribution plans

The company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the company are at rates specified in the rules of the Scheme. The company recognises the amount paid / payable to such funds in the Standalone statement of profit and loss. The contributions made by the company towards these schemes are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to provident fund	38.45	27.67
Employee state insurance scheme	10.10	10.65

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption there the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit , the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Following tables sets out the un-funded status of defined benefit plan and amount recognised in Standalone financial statement.

1 Assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.56%	7.31%
Salary escalation	6.00%	6.00%
Attrition rate	25.00%	25.00%

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2 Change in present value of obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligation as at the beginning of the year	39.18	34.57
Interest cost	2.50	2.38
Current service cost	13.17	8.84
Past service cost	-	-
Benefits paid	(3.81)	(4.97)
Actuarial (gain)/loss of obligations	0.08	(1.64)
Present Value of Obligation as at the end of the year	**51.12**	**39.18**

3 Fair value of plan assets

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at beginning of the year	-	-
Expected return of plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of the year	-	-

4 Amounts recognized in Balance sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligations as at the end of the year	51.12	39.18
Fair value of plan assets as at the end of the year	-	-
Funded status	(51.12)	(39.18)
Net balance sheet asset/ (liability) recognized at the end of the year	**(51.12)**	**(39.18)**
Current portion	6.20	3.88
Non-current portion	44.91	35.30

5 Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost	13.17	8.84
Interest cost	2.50	2.38
Past service cost	-	-
Expenses recognized in statement of profit and loss	**15.67**	**11.22**

6 Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gains) / losses arising from changes in demographic assumptions	-	2.36
Actuarial (gains) / losses arising from changes in financial assumptions	2.30	(10.51)
Actuarial (gains) / losses arising from experience adjustments	(2.22)	6.51
Actuarial (gains) / losses in Other Comprehensive Income	**0.08**	**(1.64)**

Particulars	As at March 31, 2020	As at March 31, 2019
Effect on DBO due to 100 bps increase in discount rate	48.13	37.73
Effect on DBO due to 100 bps decrease in discount rate	54.46	42.50

Particulars	As at March 31, 2020	As at March 31, 2019
Effect on DBO due to 100 bps increase in salary escalation rate	54.12	42.26
Effect on DBO due to 100 bps decrease in salary escalation rate	48.34	37.91

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Note

Particulars	As at March 31, 2020	As at March 31, 2019
Effect on DBO due to 100 bps increase in attrition rate	50.80	39.82
Effect on DBO due to 100 bps decrease in attrition rate	51.44	40.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated..

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior years / years.

7 **Expected future cash outflows (undiscounted) towards the plan are as follows:**

Particulars	As at March 31, 2020	As at March 31, 2019
Year 1	6.50	4.95
Year 2	4.84	4.06
Year 3	6.47	3.07
Year 4	3.45	4.61
Year 5	3.45	2.32
Year 6 to 10	17.11	13.95

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Note

36 Segment reporting

Information reported to Chief Operating Decision Maker (CODM) for the purpose of segment performance focuses on manufacturing and trading of kitchen and home appliances.

Revenue from major products and

The following is an analysis of the Group's revenue from its major products

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufactured		
Kitchen Appliances	4,570.98	4,311.22
Home Appliances	256.01	30.00
Total (a)	**4,826.99**	**4,341.22**
Traded product sales		
Kitchen Appliances	1,313.75	1,478.37
Home Appliances	525.48	530.37
Total (b)	**1,839.23**	**2,008.74**
Gross Total (a+b)	**6,666.22**	**6,349.96**

Geographical information:

The Group predominantly operates in India.

a. Revenue earned with in India and outside India are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India	6,154.27	5,794.26
Others	511.95	555.70
Total	**6,666.22**	**6,349.96**

b. Non-current assets* earned with in India and outside India are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
India	2,048.16	1,840.58
Others	-	-
Total	**2,048.16**	**1,840.58**

*Non-current assets exclude financial assets and non-current tax assets

c. **Revenue from major customers**

Revenue from one customer of the Company is 15.69% of company's total revenue (As at March 31, 2019 - 11.58%), which is individually more than 10 percent of the Company's total revenue.

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Note

37 Leases

Transition:

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability and the right of use asset at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application. In accordance with this, the comparatives have not been retrospectively adjusted. In adopting Ind AS 116, the Group has applied the below practical expedients:

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
- The Group has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition
- The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the adoption of new standard resulted in recognition of 'Right-of-use asset of Rs. Nil and a lease liability of Rs. Nil. The cumulative effect of applying the standard of Rs. 13.45 was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profits before tax, profit for the year and earnings per share. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 01, 2019, which is 11.5% for measuring the lease liability.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liability	2.49
Non Current lease liability	-
Total	2.49

The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	As at March 31, 2020
Balance as at April 01, 2019	-
Additions	35.69
Deletions	(25.75)
Finance cost accrued during the year	0.56
Payment of lease liabilities	(9.34)
Translation difference (net)	1.33
Balance as at March 31, 2020	2.49

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020
Less than one year	2.49
One to five years	-
More than five years	-
Total	2.49

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The company has entered into operating lease arrangements for office premises and showrooms, which are cancellable at the option of the either party after giving prior notice. Lease payment recognized in the statement of profit and loss for the year ended Marc 31, 2020 against such lease arrangements is Rs.6.14 million.

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Note

38 Share-based payment

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

The Company has share option scheme "Stove Kraft Employee Stock Option Plan 2018", for employees of the Company. In accordance with the terms of the plan the Company may grant options to the eligible employees, as approved by the shareholders of the Company and the Nomination and Remuneration Committee (the "Committee"). Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The option carry neither a right to dividends nor voting rights.

Employees Stock Option Plan 2018:

Under this plan 755,328 options are granted and would normally vest over a maximum period of 5 years from the date of the grant (October 01, 2018) in proportions specified in 'Stove Kraft Employee Stock Option Plan 2018' scheme. Options would vest essentially on passage of time and in addition to this, the committee may also specify certain performance criteria subject to satisfaction of which the option would vest. The estimated contractual life of the options vesting period is 5 years.

B. Measurement of fair values

Fair value of share options granted :

The weighted average fair value of the share options granted is Rs. 24.47. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee

Inputs into the model	Option granted under employee stock option plan 2018
Grant date share price	99.25
Exercise price	150.00
Expected volatility	21.41%
Option life	5 years
Dividend yield	0.00
Risk-free interest rate	7.52%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

Employees stock option plan:	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Option outstanding at the beginning of the year	755,328	150.00	-	-
Granted during the year	-	-	755,328	150.00
Exercised during the year	-	-	-	-
Forfeited during the year	167,056	150.00	-	-
Expired during the year	-	-	-	-
Options outstanding at the end of the year	588,272	150.00	755,328	150.00
Exercisable at the end of the year	-	-	-	-

The share option outstanding at the end of the reporting period had a weighted average exercise price of Rs. 150 and weighted average remaining contractual life of 4.96 years.

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Note

39 Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic		
Net Profit / (loss) after tax attributable to the equity shareholders (Rs. in Million) (A)	29.05	8.01
Weighted average no. of equity shares outstanding (B)	24,716,727	21,927,944
Face value per share (Rs.)	10.00	10.00
Basic earning per shares (A/B) (Rs.)	**1.18**	**0.37**
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (Rs in Million) (C)	29.05	8.01
Weighted average no. of equity shares outstanding#(D)	24,716,727	21,927,944
Face value per share (Rs.)	10.00	10.00
Diluted earnings per share (C/D) (Rs.)	**1.18**	**0.37**

#The conversion of CCDs into equity shares is contingent on various factors and since there exist uncertainty over conversion of CCDs into equity shares, these are not considered in the computation of diluted earnings per share.

40 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	37.70	53.46
(ii) interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4.34	0.94
(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	4.57	5.48
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	8.91	6.42
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	1.25	1.14

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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Note
41 **Related party transactions**

A. List of related parties :

Sl. No.	Name of the related party	Nature of relationship
1	Key managerial personnel (KMP):	
	Mr. Lakshmikant Gupta (From December 23, 2019)	Chairman of the Board
	Mr. Lakshmikant Gupta (From May 11, 2018)	Independent Director
	Mr. Rajendra Gandhi	Managing Director (MD)
	Ms. Neha Gandhi	Relative of MD and Director
	Mrs. Shubha Rao Mayya (From August 30, 2018)	Independent Director
	Mr. Rajiv Nitin Mehta (From May 11, 2018 to September 02, 2019)	Independent Director
	Mr. Rajiv Nitin Mehta (From September 03, 2019)	Chief Executive Officer and Whole Time Director
	Mr. Bharat Singh (From September 21, 2018)	Nominee Director
	Mr. Vivek Mishra (upto April 30, 2018)	Company Secretary
	Ms. Rehana A. Rajan (From May 11, 2018 to July 26, 2018)	Company Secretary
	Mr. Shashidhar SK (From July 27, 2018)	Company Secretary
	Mr. Shashidhar SK (From July 02, 2018)	Chief Financial Officer
	Mr. Radhakrishnan (From January 19, 2018 to April 06, 2018)	Chief Financial Officer
2	Enterprises owned or significantly influenced by KMP or their relatives:	
	Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother's wife is a Director
	Pigeon Appliances Private Limited (PAPL)	Company is shareholder and MD is director
3	Relative of KMP	
	Mrs. Sunita Rajendra Gandhi	Relative of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

B. Transactions with related parties

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations		
SAEPL	0.05	-
Purchases		
SAEPL	-	0.14
Sales Return		
SAEPL	-	0.37
Job work		
SAEPL	-	0.59
Rent including lease rentals		
Mrs. Sunita Rajendra Gandhi	0.72	0.72
Purchase of PPE from		
SAEPL	-	5.59
Managerial remuneration:		
Mr. Rajendra Gandhi	10.11	9.51
Ms. Neha Gandhi	2.31	2.17
Mr. Vivek Mishra	-	0.09
Ms. Rehana A. Rajan	-	0.09
Mr. Radhakrishnan	-	0.11
Mr. Shashidhar SK	7.82	6.11
Mr. Rajiv Nitin Mehta	7.33	-
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	0.80	0.50
Mr. Lakshmikant Gupta	0.65	0.45
Mr. Rajiv Nitin Mehta	0.20	0.70

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C. Balances with related parties

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable		
PAPL	0.29	0.29
Payable on purchase of property, plant and equipment		
SAEPL	2.68	2.68
Trade receivables		
SAEPL	3.42	3.38
Rent payable		
Mrs. Sunita Rajendra Gandhi	-	0.06
Remuneration payable		
Mr. Rajendra Gandhi	1.25	0.76
Ms. Neha Gandhi	0.33	0.18
Mr. Shashidhar SK	1.15	2.28
Mr. Rajiv Nitin Mehta	1.11	-
Sitting fees payables		
Mr. Lakshmikant Gupta	-	0.05
Mr. Rajiv Nitin Mehta	-	0.30

D. The remuneration of Directors and other members of Key Management Personnel during the year was as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term benefits	26.37	17.51
Post-employment benefits (Refer note (i) below)	1.20	0.57
Share based payment	0.51	-
Total	**28.08**	**18.08**

Note (i) Post - employment benefits excludes gratuity which cannot be separately identified from the composite amount advised by the actuary.

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Note

42 Interest in other entities

Disclosure of interest in partnership firms

Name of the partnership firm	Principal activity	Place of incorporation and place of operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2020	As at March 31, 2019
Stovekraft India	Manufacturing and selling of kitchen appliances	India	99%	99%

Stove Kraft Limited

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Note

43 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act,

(i)

Particulars	As at March 31, 2020		As at March 31, 2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent - Stove Kraft Limited	101.11%	(586.75)	115.52%	(607.75)
Partnership firm - Stovekraft India	-1.11%	6.45	-15.52%	81.63
	100%	(580.30)	100%	(526.12)
Adjustments arising out of consolidation and other adjustments		(19.24)		(97.72)
Total		(599.54)		(623.84)

(ii)

Particulars	For the year ended March 31, 2019					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	87.87%	18.98	100.00%	1.69	88.75%	20.67
Partnership firm - Stovekraft India	12.13%	2.62	0.00%	-	11.25%	2.62
	100.00%	21.60	100.00%	1.69	100.00%	23.29
Adjustment for arising out of consolidation		(15.28)		-		(15.28)
Share of profit attributed to Non-controlling interest		0.03		-		0.03
Total		6.35		1.69		8.04

(ii)

Particulars	For the year ended March 31, 2020					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	74.12%	28.41	100.00%	(2.56)	72.27%	25.85
Partnership firm - Stovekraft India	25.88%	9.92	0.00%	-	27.73%	9.92
	100.00%	38.33	100.00%	(2.56)	100.00%	35.77
Adjustment for arising out of consolidation		(6.72)		-		(6.72)
Share of profit attributed to Non-controlling interest		0.10		-		0.10
Total		31.71		(2.56)		29.15

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Note

44 Contingent liabilities and commitment

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liability		
Indirect tax matters under appeal	62.92	65.08
Other disputed claims	2.68	2.68
Provident fund claims	9.39	9.39
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (Net of advances)	44.22	18.94

45 Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual financial statements for financial years 2014-15, 2015-16 and 2016-17 as required in terms of Section 137 of the Companies Act, 2013. The last date for PAPL to file annual financial statements with the Registrar of Companies (ROC) for the financial year 2016-17 expired on October 30, 2017, as a result of which the provisions pertaining to disqualification of Directors under section 164 (2) and vacation of Office of Director under section 167 (1) of the Companies Act, 2013, was attracted. The Company and Mr. Rajendra Gandhi filed a petition before the National Company Law Tribunal (NCLT), Bangalore, on 22 November 2017 against PAPL, followed by another interim application on 30 May 2018, praying, inter alia, that the NCLT direct the ROC to maintain status quo by not disqualifying Mr. Rajendra Gandhi from directorships of other companies (other than PAPL), until the disposal of the main petition. The NCLT, in its interim order, dated 18 July 2018, has directed the ROC, not to disqualify Mr. Rajendra Gandhi as a Director on the Board of the Company.

46 The Group has a net deferred tax asset with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the Group.

The Group has not recognized the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

a) Current Tax - During the year, the Group does not have taxable income as per regular computation and as per Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

b) Deferred Tax - The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current depreciation resulting in net deferred tax asset at end of year. This has not been recognised as a matter of prudence.

47 The management of Stovekraft India (the firm) decided to discontinue the manufacturing operations in the firm and with effective from January 03, 2015, the manufacturing operations in the firm had been discontinued. Stove Kraft Limited (SKL), the majority partner in the firm, has not yet decided on alternative business plans for the firm, if any. SKL has the assured continuous financial support to the firm to meet its obligations. Pending decision on the future business plan for the firm and based on the financial support from SKL, the financial statements of the firm have been prepared under the historical cost convention except for property, plant and equipment of the firm which were fair valued.

48 Consolidated Statement of Tax Summary

(i) Income tax recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of current year	3.64	4.60
In respect of prior years	-	0.28
	3.64	**4.88**
Deferred tax expense		
Origination and reversal of temporary differences	-	-
	-	-
Total income tax expense recognised in the statement of profit and loss	**3.64**	**4.88**

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Note
48 **Consolidated Statement of Tax Summary- continued**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	31.71	6.35
Company's domestic tax rate	34.94%	34.94%
Tax using the Company's domestic tax rate (Refer Note (i) below)	11.08	2.22
Tax effect of:		
Unused tax losses not recognised as deferred tax assets	(11.08)	(2.22)
Adjustments recognised in the current year in relation to current tax of prior years	-	-
Income tax recognised in the statement of profit and loss	-	-

Note:
(i) The tax rate used in the reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. The tax expense recognized for the year ended March 31, 2020 petains to Stovekraft India, a partnership firm. The actual tax expense for the year ended March 31, 2020 is zero considering the unabsorbed tax losses and depreciation.

(iii) Movement in deferred tax balances

Particulars	For the year ended March 31, 2020					
	Net balance April 01, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(379.60)	(4.30)	-	(383.90)	-	-
Employee benefits	15.71	5.26	-	20.97	-	-
Provision for doubtful debts	26.99	7.38	-	34.37	-	-
Other items	5.66	1.18	-	6.84	-	-
Deferred tax assets/ (liabilities)	**(331.24)**	**9.52**	-	**(321.72)**	-	-
Set off tax losses/ Deferred tax assets not recognised	331.24	(9.52)	-	321.72	-	-
Net deferred tax assets (Liabilities)	-	-	-	-	-	-

Particulars	For the year ended March 31, 2019					
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(382.62)	3.02	-	(379.60)	-	-
Employee benefits	13.63	2.08	-	15.71	-	-
Provision for doubtful debts	43.04	(16.05)	-	26.99	-	-
Other items	3.75	1.91	-	5.66	-	-
Deferred tax assets/ (liabilities)	**(322.20)**	**(9.04)**	-	**(331.24)**	-	-
Set off tax losses/ Deferred tax assets not recognised	322.20	9.04	-	331.24	-	-
Net deferred tax assets (Liabilities)	-	-	-	-	-	-

iv) Unrecognized timing differences and tax losses and tax depreciation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Difference between book value and tax base of Property, plant and equipment	(1,098.73)	(1,086.45)
Disallowance relating to employee benefits	60.01	44.95
Provision for doubtful debts	98.38	77.26
Others	19.57	16.19
Unabsorbed depreciation and tax losses	1,546.02	1,587.62
Net unrecognized timing differences	**625.25**	**639.57**
Tax impact	**218.46**	**223.47**

(v) The Company has a net deferred tax asset with respect to certain timing differences. These timing difference mainly relates to carried forward business losses, unabsorbed depreciation and as a matter of prudence, the Company has not recognised deferred tax asset on these timing differences (Refer note 46).

(vi) No deferred tax adjustments were required in respect of amounts recognised in Other Comprehensive Income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation)

(vii) No Deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in partnership firms.

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Note

50 The Board of Directors duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on July 27, 2020.

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Mehta

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : July 27, 2020

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